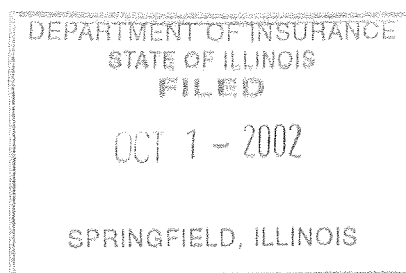


NCMIC RISK PURCHASING GROUP

STATE OF ILLINOIS

PHYSICIANS AND SURGEONS

PROFESSIONAL LIABILITY MANUAL



I. APPLICATION OF THIS MANUAL-ELIGIBILITY

This program covers Physicians and Surgeons engaged in the rendering of professional services specific to their disciplines. Refer to the classification plan for a description of each risk/rating category.

A. Physician and Surgeon Service Providers

Licensed members who meet the current underwriting standards of NCMIC Insurance Company, the insurer of the NCMIC Risk Purchasing Group, for their particular practice.

B. Ancillary Personnel

Ancillary employees are included as insureds for their acts while performing duties within the scope of their employment while under the supervision of the insured named in the Coverage Summary.

C. Entity Coverage

Professional corporations, associations, or partnerships formed for the express purpose of providing the health care services of physicians and surgeons can be provided coverage for separate or shared limits for an additional charge. Refer to page 9.

II. PREMIUM DETERMINATION

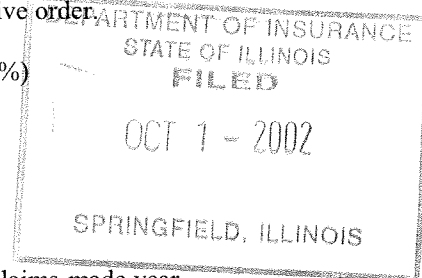
1. Determine the base rate for the appropriate policy type and territory.
2. Refer to Classification Listing and apply the factor for the most appropriate class specialty being rated.
3. Apply the appropriate limit factor, to reach the undiscounted premium.
4. Apply credit, if necessary, for new practitioner or part-time status (no further credits available).
5. Apply any credits for scheduled or experience rating.
6. Apply rounding.
7. Example Premium Calculation:

Assume the full time undiscounted premium is \$1,000 and no new practitioner or part-time status applies. Additional credits or debits will be applied in consecutive order.

$\$1,000 \times .95 = \950.00 (Loss Prevention credit of 5%)

$\$950.00 \times .95 = \902.50 (Professional Association credit of 5%)

$\$902.50 = \903.00 (Apply rounding)



III. POLICY PERIOD

The policy period shall be for a one year term, unless in the middle of a claims-made year.

In this instance, a short-term policy will be issued to expire on the member's original expiration date.

The policy period next following will be for one year.

IV. WHOLE DOLLAR PREMIUM RULE

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. If premium is .50 or greater, round to next higher whole dollar. If premium is .49 or less, round down. In the event of cancellation, the return premium shall be rounded to the nearest whole dollar. Rounding is the last step of the premium calculation.

Example: \$1,234.30 is rounded to \$1,234.

\$1,234.60 is rounded to \$1,235.

V. PRACTICE LOCATION

Practitioners who conduct a percentage of their practice located in another state or territory will be assessed additional premium, based upon the percentage of time spent in the other state or territory.

VI. POLICY CANCELLATION**A. Cancellation By the Insured**

The policyholder may cancel the policy by mailing or delivering notice to the Company stating when such cancellation shall be effective.

This policy will remain in full force and effect until its regular anniversary date unless the policy is canceled sooner by the Company in accordance with the laws of the State of Illinois.

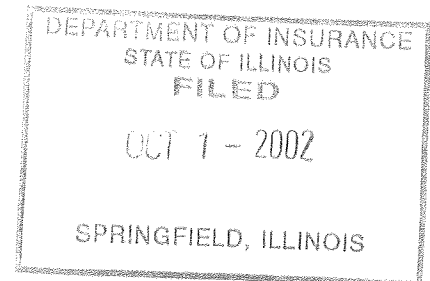
If the policyholder cancels the policy, earned premium shall be computed in accordance with the standard short rate tables and procedure. If we cancel the policy, earned premium shall be computed pro rata.

B. Cancellation/Non-Renewal By the Company

The Company may cancel or non-renew the policy in accordance with the insurance laws of the State of Illinois. Standard cancellation notice will be sent 60 days prior to cancellation, except that in the event of non-payment of premium or if the insured is no longer licensed, then not less than ten (10) days prior notice will be given.

VII. PREMIUM PAYMENT OPTIONS

1. Annual
2. Semi-Annual 50% prepayment required
3. Quarterly 25% prepayment required
4. Monthly payment option available for large group accounts.

**VIII. RENEWALS**

Upon membership in the NCMIC Risk Purchasing Group, the policy will be automatically renewed upon receipt of the required premium on or before the date of each successive policy period. The renewal premium shall be based on rates in effect on the renewal or anniversary date. The applicable forms and endorsements must be made a part of the policy. Additional premiums for policy changes occurring during the current policy term shall be computed pro rata of the annual premium.

IX. SPECIAL PROVISIONS**A. Disability, Leave of Absence or Family Leave**

Members who become disabled or take a leave of absence shall become eligible for suspension of coverage at a rate reduction of 90% of the otherwise applicable rate for the period of disability or leave of absence. The period must extend for a minimum length of forty-five (45) days or more up to a maximum of one hundred eighty (180) days or until renewal. The lower premium will apply retroactively to the first day of the disability or leave.

This option provides continued protection to the provider who experiences a temporary interruption in his or her practice (subject to the stated eligibility requirements), for claims arising from acts, errors or omissions which occurred prior to the inception of the disability or leave. There is no coverage for acts, errors or omissions during the leave or disability period. Because the policy does not cancel, there is no need for the purchase of Extended Reporting Endorsement Coverage (Tail).

Proof of disability must be submitted to the Company for approval, and the calculation of the credit will be on a pro rata basis for the period of the qualifying disability or leave.

While on disability or leave, credit toward extended reporting vesting will continue to accrue, and the insured must continue to pay premiums when due.

Eligible Situations For Leave of Absence or Family Leave Credit: Short-Term Disability, Maternity Leave, Family Emergency, Continuing Education, Military Leave – Does not apply to vacations.

B. Retroactive Coverage (For Claims Made only)

This extension covers incidents which occurred subsequent to the prior carrier's retroactive date, but which are neither known nor reported as of the inception date of the replacement coverage written by NCMIC. The insured may purchase this equivalent of Extended Reporting Period Coverage from the Company. The insured may select the Retroactive Date (shown on the Coverage Summary) from a date that is equal to the retroactive date shown on the previous policy.

Premium for this extension is derived by rating the policy based upon the claims-made step factor determined by using the previous carrier's retroactive date.

C. Basic Reporting Extension (For Claims Made only)

This option applies when coverage under the policy ends, either by action of the insured or the Company through cancellation, termination or non-renewal.

Under the circumstances stated above, the Company will provide a sixty (60) day Basic Reporting Extension which allows claims to be reported during this time which result from incidents that happened during the time the coverage was in force.

Within thirty (30) days of when the policy coverage terminates, the Company must advise the insured of the availability of an extended reporting endorsement, the premium cost, and the importance of buying this additional coverage extension, commonly called "Tail Coverage".

The insured will have the greater of sixty (60) days from the date the coverage is terminated, or thirty (30) days from the date of notice, to accept the Extended Reporting Endorsement in writing.

This endorsement will not be made available to an insured if coverage is canceled for non-payment of premium.

D. Extended Reporting Endorsement (For Claims Made only), also called Tail Coverage

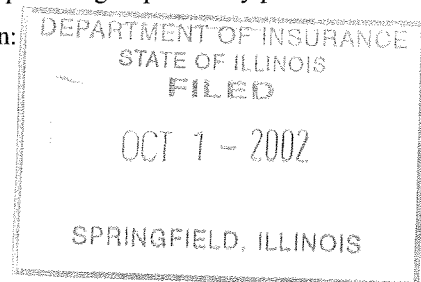
This endorsement will provide coverage for an unlimited time period with aggregate liability limits equal to those of the expired coverage to report claims which arose from incidents that occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. This endorsement can be applied to group or entity policies.

The following factors shall apply with respect to premium calculation:

Number Of Years Completed In Tail Factor*

Claims Made Program

1	.92
2	1.43
3	1.70
4+	1.87



Applied to the claims made rate in effect during the years immediately prior to termination/non-renewal of coverage.

If the Insured fails to pay the Extended Reporting Endorsement premium when due, the Insured will be liable to the Company for any losses and loss expenses incurred.

NCMIC Insurance Company cannot cancel the extended reporting endorsement except for non-payment of the additional premium.

E. Discount Extended Reporting Endorsement (For Claims Made only)/ Tail Coverage

The Company provides an Extended Reporting Endorsement automatically, at no additional charge, in the event that the insured dies, becomes permanently disabled or retires at age fifty-five (55) or later and after

having been continuously insured with NCMIC Insurance Company under a claims-made policy for five (5) years.

Should the insured retire with less than five (5) years of continuous claims-made coverage with NCMIC Insurance Company and is at least 55 years of age, the following discounts will apply to the number of years of completed claims made coverage under this policy:

One Year	10%
Two Years	20%
Three Years	30%
Four Years	40%

These discounts will be applied to the member's final annualized premium before the date of retirement.

F. Change in Rating Classification

In the event of a change in exposure or medical specialty of the practitioner, a charge reflecting the difference between the previous and such new exposure or specialty shall be calculated and collected at the time of such change unless:

1. otherwise eligible for Extended Reporting Period coverage at no charge;
2. with regard to medical specialty, both the prior and the current specialty fall within the same class;
3. the exposure or medical specialty of the practitioner changed more than 4 years prior while insured under claims-made coverage; or
4. the exposure or medical specialty of the practitioner changed while insured under occurrence coverage.

G. New Practitioner

A new practitioner is defined as a person who has completed his or her training within the previous six months, whose only contact with patients has been in the course of his or her training, and who has not been previously insured by NCMIC Insurance Company or a member of a NCMIC Risk Purchasing Group.

1 st year	75% credit
2 nd year	50% credit
3 rd year	25% credit

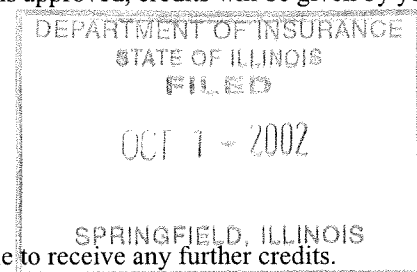
Those who qualify as a new practitioner will not be eligible to receive any further credits.

H. Part-Time Practitioner

A practitioner must practice 20 hours or less per week to become eligible for this credit. The insured must complete an application for part-time credit. If the application is approved, credits will be given by year according to the following schedule:

1 st year	20% credit
2 nd year	30% credit
3 rd year	40% credit
4 th year	50% credit

Those who qualify as a part-time practitioner will not be eligible to receive any further credits.



I. Moonlighting Residents

Following graduation from medical school, a physician may elect to enter a residency program. 3rd and 4th year medical residents will be charged at the part-time rate of 50%. Those who qualify will not be eligible to receive any further credits.

X. SCHEDULED RATING

The NCMIC Risk Purchasing Group will use the following schedule of modifications to determine appropriate premiums for certain insureds, or groups of insureds, who in the opinion of NCMIC Insurance Company uniquely qualify for such modifications because of factors not contemplated in the filed rate structure of the company.

The premium for a risk may be modified in accordance with the following, subject to a maximum modification of a 15% credit to a 25% debit to recognize risk characteristics that are not reflected in the otherwise applicable premium. All modifications applied under this scheduled rating plan are subject to periodic review. The actual determination of the appropriate credit or debit will be determined through the underwriting review of the applicant's application.

1. Cumulative Years of Patient Experience:

Members who have demonstrated a stable, longstanding practice and/or significant degree of experience in their area of medicine.

2. Classification Differences:

Characteristics of a particular insured that differentiate the insured from other members of the same class, or recognition of recent developments within a classification or jurisdiction that are anticipated to impact future loss experience.

3. Implementation of Loss Control Procedures:

In order to qualify for this credit, the member must demonstrate that credible loss control procedures have been properly implemented, and that these procedures will reduce the frequency and severity of claims.

4. Number / Type of Patient Exposure:

Size and/or demographics of the patient population which influences the frequency and/or severity of claims.

ADDITIONAL CREDITS**Credentialing Credit:**

Members who meet all of the credentialing requirements of a provider network, HMO, IPA, MCO, may qualify for a credit. If credentialing is maintained, this credit will be applied during each renewal period.

Professional Association Membership Credit

Members who are in good standing of recognized professional associations may be eligible to receive a credit. In order to qualify for this credit, the member must notify NCMIC Insurance Company of the membership on the application for insurance or in other written form.

Size of Risk Credit

Members who are part of or employees of a professional association, corporation, or other group who become members of the NCMIC Risk Purchasing Group shall be eligible for a credit based on the volume of premium brought to the NCMIC Risk Purchasing Group. Members may receive this credit in addition to the other individual credits available.

Premium	Credit
\$100,001 - \$200,000	.05%
\$200,001 - \$300,000	1.0%
\$300,001 - \$400,000	1.5%



\$400,001 - \$500,000	2.0%
\$500,001 - \$600,000	2.5%
\$600,001 - \$700,000	3.0%
\$700,001 - \$800,000	3.5%
\$800,001 - \$900,000	4.0%
\$900,001 - \$1,000,000	4.5%
over \$1,000,000	5.0%

XI. EXPERIENCE RATING

Claims free credits

A claims free credit of 5% shall apply if the insured has achieved three (3) years without a claim, as defined as \$10,000 of incurred indemnity.

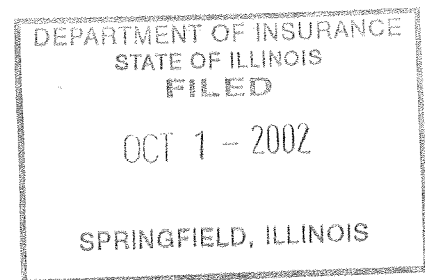
Claims free debits

Claim debit factors – individual policy:

<u># OF CLAIMS</u>	<u>FACTOR</u>
1	1.000
2	1.500
3	2.500
4+	6.000

Claim debit factors – partnership/corporate policy:

<u># OF CLAIMS</u>	<u>FACTOR</u>
1-2	1.000
3-4	1.500
5-6	2.500
7+	6.000



Documentation, including copies of judgments, awards or stipulations of settlement will be requested and reviewed where available.

To obtain and verify experience applicable to each prospective insured, the Insured will seek claim information from:

- The applicant
- The agent or broker
- All previous insurers with respect to the experience period in question.

XII. ENDORSED COVERAGES**Prior Acts Endorsement**

Provides coverage for members who change from a claims made policy to an occurrence policy and who do not purchase tail coverage. **There can be NO lapse of coverage between the claims-made policy and the issuance of the NCMIC occurrence policy.**

Injuries, which occurred on or after the retroactive date and before expiration referenced in the endorsement will be covered.

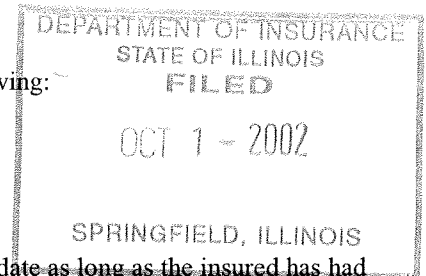
Applicant must answer all questions regarding "prior acts" in the general application.

Full payment must be made for this endorsement at the time that the down payment is made for the basic policy.

Prior Acts premium is 100% earned. No refund available.

Require copy of claims-made policy declaration page showing the following:

- 1) Name of insured (must be same as our applicant).
- 2) Policy term of claims-made policy.
- 3) Limit of liability of claims-made policy.
- 4) Retroactive date: We will provide coverage for any retroactive date as long as the insured has had continuous insurance coverage without lapse or cancellation due to non-payment of premium.



Can only issue Prior Acts Endorsement with same or lower limits than claims-made policy.

This endorsement can only be issued with NCMIC Risk Purchasing Group occurrence policy.

Rates: applied for the state where the claims-made policy was issued.

- | | |
|---|----------------------|
| 1) If retroactive date applied for is 1 year prior to effective date: | 92% of base premium |
| 3) If retroactive date applied for is 2 years prior to effective date: | 143% of base premium |
| 4) If retroactive date applied for is 3 years prior to effective date: | 170% of base premium |
| 5) If retroactive date applied for is 4 +years prior to effective date: | 187% of base premium |

If a claim is made for an injury which occurred during prior acts period, policy terms which apply are the terms of the policy issued at the time the Prior Acts Endorsement was purchased, including all mandatory endorsements.

Other endorsements can only be added if those endorsements were originally a part of the claims-made policy.

Utilization Review Endorsement

There is no additional charge for this endorsement. Our liability for damages could be exhausted by the payment of claims expenses, which include legal fees, because the limits under the endorsement are separate from the limit under the policy. Our policy excludes utilization review coverage and therefore does not provide payment for losses, legal fees, etc. covered under the endorsement. Coverage is provided for rendering an opinion on the adequacy, necessity or reasonableness of care furnished by another health care professional based on a review of the patient's records without a physical examination. The limit of liability for all **damages** under this endorsement is \$50,000 Per **Medical Incident** Limit of Liability and \$100,000 Policy Aggregate Limit of Liability.

Defendant's Reimbursement Endorsement

This endorsement amends page 2 of the policy Supplementary Payments provision to include coverage for all reasonable expenses incurred by the insured when you are out of the office at the request of NCMIC Insurance Company to assist in the investigation or defense of a medical incident or suit. The endorsement covers loss of earnings of up to \$500 per day, up to a maximum of \$5,000 per medical incident/\$10,000 per policy period.

Anesthetic Agent Endorsement

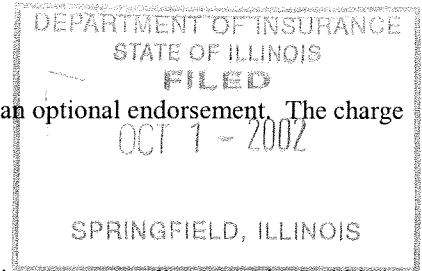
This endorsement provides coverage for the administering of anesthetic agents. There is no additional charge for this endorsement.

Surgery Endorsement

This endorsement provides coverage for the member only while performing surgery within the classification identified on the endorsement. There is no charge for this endorsement.

Additional Insured Endorsement

This endorsement provides coverage for an additional insured. This is an optional endorsement. The charge for this endorsement will be 15% of base premium.



Seminar And Continuing Education Endorsement

This endorsement provides coverage for the member while either teaching at or attending a seminar. This is an optional endorsement. The charge for this endorsement will be 15% of base premium.

Team Endorsement

This endorsement provides coverage for the insured while acting as a service provider for a team. The charge for this endorsement will be 15% of the base premium, if the insured is a service provider for a professional team. There is no additional charge for this endorsement if the insured is a service provider for an amateur team.

Product Liability Endorsement

This endorsement provides coverage for the insured for damages arising from any loss, cost or expense incurred by the insured or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal, or disposal of a product, other than real property, manufactured, sold, handled, distributed or disposed of by the insured due to a known or suspected defect, deficiency, inadequacy, or dangerous condition in it. The limit of liability for all damages under this endorsement is \$50,000 incident and \$100,000 aggregate limit of liability.

The premium charge for this coverage will be 10% of the base premium for the insured's professional liability coverage.

Managed Care Endorsement

This endorsement pays for all sums which the entity defined in the policy shall become legally obligated to pay as a result damages due to an injury caused by the insured. There is no additional charge for this endorsement.

Government Proceedings Endorsement

This endorsement pays for legal defense costs incurred in defense of certain government proceedings. The cost of this endorsement will be \$250.00 per insured.

First Aid Coverage Endorsement

This endorsement pays up to \$5,000 per person for first aid expenses, regardless of fault, incurred due to an accident for which the insured is not legally liable for injury under the professional liability section of the policy as a result of professional services. There is no additional charge for this endorsement.

Locum Tenens Endorsement

Shall be provided, at no additional premium, for a period not to exceed sixty (60) days per policy term (one year). A completed application must be submitted to the company prior to any such coverage requested.

Corporations/Partnerships

Corporation/Partnership coverage is intended to provide coverage for both medical clinics and individual practicing physicians for the liability exposure of a professional corporation, partnership or association on either a separate or shared limit basis. The charge for separate limits will be 20% of the total undiscounted liability premium for all practitioners. The charge for shared limits will be 5% of the total undiscounted liability premium for all practitioners.

Medical Labs

It shall be permissible to add a Medical Laboratory

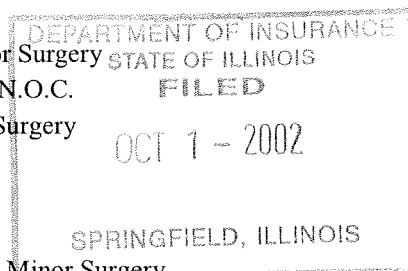
- a. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.
- b. as an additional insured at 25% of the mature Class 1 rate, if such laboratory is a separate entity. Coverage is limited to the testing of the insured's own patients.

XIII. Classification Plan – Refer to rate sheet for base rate information.

<u>NAII Specialty</u>	<u>Class</u>	<u>Description</u>	<u>FACTOR</u>
80230	1	Aerospace Medicine	0.650
80254	1	Allergy	0.650
80256	1	Dermatology - No Surgery	0.650
80240	1	Forensic Medicine	0.650
80248	1	Nutrition	0.650
80233	1	Occupational Medicine	0.650
80263	1	Ophthalmology - No Surgery	0.650
80235	1	Physiatry/Physical Medicine	0.650
80231	1	Preventive Medicine - No Surgery	0.650
80251	1	Psychosomatic Medicine	0.650
80236	1	Public Health	0.650
80237	2	Diabetes No Surgery	0.850
80238	2	Endocrinology - No Surgery	0.850
80243	2	Geriatrics - No Surgery	0.850
80244	2	Gynecology - No Surgery	0.850
80260	2	Nephrology - No Surgery	0.850
80262	2	Nuclear Medicine	0.850
80268	2	Physicians - No Surgery N.O.C.	0.850
80995	2	Podiatry - Soft Tissue	0.850
80249	2	Psychiatry including child	0.850
80252	2	Reumatology - No Surgery	0.850
80255	3	Cardiovascular Disease - No Surgery	1.000
80420	3	Family Phys. Or Gen. Prac. - No Surgery	1.000
80241	3	Gastroenterology - No Surgery	1.000
80245	3	Hematology - No Surgery	1.000
80246	3	Infectious Diseases - No Surgery	1.000
80258	3	Laryngology - No Surgery	1.000



80259	3	Neoplastic Diseases - No Surgery	1.000
80259	3	Oncology No Surgery	1.000
80264	3	Otology - No Surgery	1.000
80265	3	Otorhinolaryngology - No Surgery	1.000
80266	3	Pathology No Surgery	1.000
80269	3	Pulmonary Diseases - No Surgery	1.000
80247	3	Rhinology - No Surgery	1.000
80257	4	Internal Medicine - No Surgery	1.250
80287	4	Nephrology - Minor Surgery	1.250
80286	4	Oncology - Minor Surgery	1.250
80289	4	Ophthalmology - Minor Surgery	1.250
80114	4	Ophthalmology - Surgery	1.250
80267	4	Pediatrics - No Surgery	1.250
80298	4	Pulmonary Diseases - Minor Surgery	1.250
80281	5	Cardiovascular Disease - Minor Surgery	1.500
80282	5	Dermatology - Minor Surgery	1.500
80271	5	Diabetes - Minor Surgery	1.500
80272	5	Endocrinology - Minor Surgery	1.500
80274	5	Gastroenterology - Minor Surgery	1.500
80276	5	Geriatrics - Minor Surgery	1.500
80277	5	Gynecology - Minor Surgery	1.500
80278	5	Hematology - Minor Surgery	1.500
80279	5	Infectious Diseases - Minor Surgery	1.500
80284	5	Internal Medicine - Minor Surgery	1.500
80285	5	Laryngology - Minor Surgery	1.500
80261	5	Neurology - No Surgery	1.500
80290	5	Otology - Minor Surgery	1.500
80291	5	Otorhinolaryngology - Minor Surgery	1.500
80294	5	Physicians - Minor Surgery N.O.C.	1.500
80253	5	Radiology Diagnostic - No Surgery	1.500
80270	5	Rhinology - Minor Surgery	1.500
80145	5	Urological Surgery	1.500
80151	6	Anesthesiology	1.650
80421	6	Family Phys. Or Gen. Prac.- Minor Surgery	1.650
80283	6	Intensive Care Medicine	1.650
80286	6	Neoplastic Diseases - Minor Surgery	1.650
80288	6	Neurology - Minor Surgery	1.650
80292	6	Pathology - Minor Surgery	1.650
80293	6	Pediatrics - Minor Surgery	1.650
80101	7	Broncho-Esophagology	2.150
80103	7	Endocrinology Surgery	2.150
80104	7	Gastroenterology Surgery	2.150
80105	7	Geriatrics Surgery	2.150
89293	7	Neonatology	2.150
80108	7	Nephrology Surgery	2.150
80159	7	Otorhinolaryngology - No Plastic Surgery	2.150
80280	7	Radiology Diagnostic - Minor Surgery	2.150
80115	8	Colon and Rectal Surgery	2.500
80106	8	Laryngology Surgery	2.500
80107	8	Neoplastic Surgery	2.500
80107	8	Oncology Surgery	2.500
80158	8	Otology	2.500
80136	8	Radiology Including Radiation Therapy	2.500



80160	8	Rhinology Surgery	2.500
80102	9	Emergency Medicine - No Major Surgery	3.000
80117	9	General Prac. or Family Prac. Surgery	3.000
80143	9	General Surgery	3.000
80169	10	Hand Surgery	3.350
89154	10	Orthopedic Surgery - No Spine	3.350
80155	10	Otorhinolaryngology w/Plastic Surgery	3.350
80166	11	Abdominal Surgery	3.750
80157	11	Emergency Medicine Surgery	3.750
80167	11	Gynecology Surgery	3.750
80170	11	Head and Neck Surgery	3.750
80141	12	Cardiac Surgery	4.500
80150	12	Cardiovascular Disease Surgery	4.500
80154	12	Orthopedic Surgery - Including Spine	4.500
80156	12	Plastic N.O.C. Surgery	4.500
80144	12	Thoracic Surgery	4.500
80171	12	Traumatic Surgery	4.500
80146	12	Vascular Surgery	4.500
80153	13	Obstetrics Gynecology Surgery	5.500
80168	13	Obstetrics Surgery	5.500
80152	14	Neurology Surgery	6.750

Ancillary Provider Rating:

<u>PROVIDER</u>	<u>Separate Limits Factor</u>
Physician Assistant	0.200
Surgical Assistant	0.300
H/L Perfusionist	0.300
O.R. Technician	0.300
Paramedic	0.300
Scrub Nurse	0.300
Nurse Midwife No Delivery	0.750
Nurse Midwife Delivery	1.500
Nurse Anesthetist	0.560
Nurse Practitioner	0.200
Psychologist	0.250



RATES

Physicians and Surgeons Mature Claims Made and Occurrence Base Rates (for Class 3 provider @ 100/300 limits)

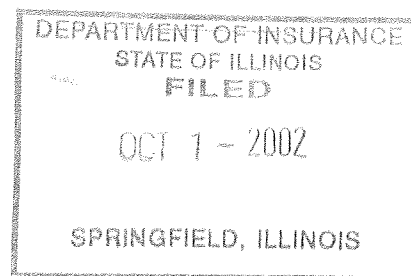
<u>Illinois Territory 01</u> – (Cook, Madison and St. Clair counties)	\$10,952
<u>Illinois Territory 02</u> – (DePage, Kane, Lake, McHenry and Will counties)	\$9,309
<u>Illinois Territory 03</u> – (Champaign, Macon, Jackson, Vermilion, Sangamon, DeKalb, Kankakee, LaSalle, Ogle, Randolph, Winnebago and Jackson counties)	\$8,214
<u>Illinois Territory 04</u> – (Remainder of State)	\$6,023

Increase limit factors: The applicable limit factor is determined by the chosen limit option on the application.

Limits of Liability	Increase Limit Factors
\$100,000/\$300,000	1.000
\$200,000/\$600,000	1.375
\$250,000/\$750,000	1.500
\$500,000/\$1,000,000	1.875
\$1,000,000/\$3,000,000	2.500
\$2,000,000/\$4,000,000	3.125

Claims-Made Step Factors:

Year	Claims-Made Step Factor
1	0.35
2	0.66
3	0.90
4	0.98
Mature	1.00



COMMERCIAL GENERAL LIABILITY RATING MANUAL

I. APPLICATION OF MANUAL RULES

- A. This manual provides rules, rates, premiums and classifications and shall govern the writing of policies offering general liability coverage.
- B. The rules, rates, rating plans and forms filed on behalf of the Company and not in conflict herewith shall govern in all cases not specifically provided for herein.

II. POLICY TERMS

Policies may be written for a term of one year, and renewed annually thereafter, or as otherwise specified for the respective coverage.

III. REFERRALS TO COMPANY

Refer to the company for:

- A. Rating for classifying any risk or exposure for which there is no manual rate or applicable classification.
- B. Any applicable rating plan modification.

IV. PREMIUM COMPUTATION

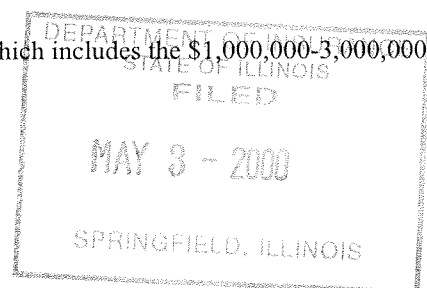
- A. Compute the premium at policy inception using the rules, rates and rating plans in effect at the same time. At each renewal, compute the premium using the rules, rates and rating plans then in effect.
- B. Prorate the premium when a policy is issued for less than a whole year.
- C. All rates and premiums referred to in this manual are for an annual period.
- D. Premium for this insurance is charged at a flat rate of \$50 for first office and an additional \$35 dollars for each additional office location. The flat rate charge applies to all limits of liability up to \$1,000,000-\$3,000,000 limits. For limits above this, multiply the base \$50 charge by the ILF's listed on page 3.
- E. Insured must receive same limits of general liability coverage as professional liability. For example: If the insured has \$1M/3M limits for professional liability, then general liability coverage must be \$1M/3M.
- F. Premiums are calculated as specified for the respective coverage. Final premium will be rounded in accordance with the Whole Dollar Rule.

V. FACTORS OR MULTIPLIERS

Wherever applicable, factors or multipliers are to be applied consecutively and not added together.

VI. POLICY MINIMUM PREMIUM

The minimum premium for this General Liability coverage is \$50.00, which includes the \$1,000,000-3,000,000 limits and below.



NEMIC INS CO

VII. RESTRICTIONS OF COVERAGE OR INCREASED RATE

Policies may be issued with special restrictions or at an increased premium if:

- A. The insured agrees in writing; and
- B. The policy would not be written otherwise.

VIII. ELIGIBILITY

- A. The following are eligible for the General Liability Policy:

Insureds of Blue Creek Risk Purchasing Groups.

IX. WHOLE DOLLAR RULE

In the event the application of any rating procedure applicable in accordance with this manual where the result is not a whole dollar, each rate and premium shall be adjusted as follows:

- A. any amount involving \$.50 or over shall be rounded to the next highest whole dollar amount; or
- B. any amount involving \$.49 or less shall be rounded down to the next lowest whole dollar amount.

X. RETURN PREMIUM

- A. Deletion for any coverage is not permitted unless the entire policy is canceled.
- B. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.
- C. Compute return premium pro rata and round in accordance with the Whole Dollar Rule when any coverage or exposure is deleted or an amount of insurance is reduced.

XI. COVERAGE

Required coverage under this policy program is:

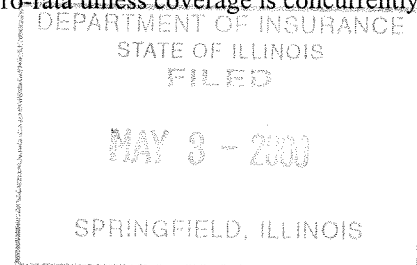
- A. Professional Liability

XII. PACKAGING OF COVERAGE

An insured must purchase professional liability coverage to be eligible for the property and liability coverages offered in this policy.

XIII. POLICY CANCELLATIONS

- A. The policy may be canceled flat within 60 days of the effective date. Evidence of such cancellation must be received by the Company within 60 days of such cancellation.
- B. Any cancellation initiated by the insured will be canceled ~~pro-rata unless coverage is concurrently~~ rewritten by the Company.



XIV. GENERAL LIABILITY

When written for an insured's premises, this coverage shall be rated on the basis of "first office" location and "each additional office" location.

First Office: \$50.00

Each Additional Office: \$35.00

It shall not be permissible to provide coverage at a location where the medical professional does not maintain a practice.

XV. MINIMUM LIMITS OF LIABILITY

General Liability:

Occurrence: \$100,000 each claim
\$300,000 aggregate

Other limits are available and are associated with the following factors

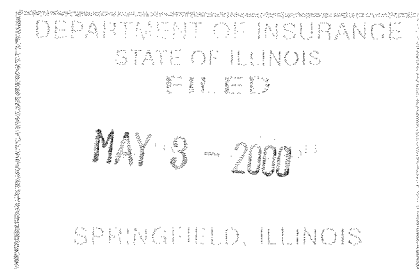
	Increased Limit Factor
\$100/300	Minimum
\$200/600	Minimum
\$250/750	Minimum
\$500,000/1M	Minimum
\$1M/3M	1.000(base)
\$2M/4M	1.096
\$3M/5M	1.187
\$5M/5M	1.225

XVI. ADDITIONAL COVERAGE

The following coverages are included in the Liability Coverage form (except as noted):

A. Liability Coverages

1. **Fire Damage Legal Liability** (including Explosion, Water Damage)
Coverage for the first \$100,000 is provided automatically at no charge, unless otherwise specified in the Declarations.
2. **Hired and Non-owned Auto Liability**
This covers the hired and non-owned liability of the insured and is subject to its own limit of insurance, which will be the same as the per occurrence limit selected for General Liability coverage.



3. **Hired and Non-owned Auto Physical Damage**
This covers the hired and non-owned comprehensive and collision of the insured, which will be subject to the same per occurrence limit selected for General Liability coverage
4. **Additional Insured**
These charges apply per each designated location and per each additional insured. The form will vary per additional insured.
5. **Medical Payments**
This provides up to \$5000 per person coverage for medical payments. This amount is subject to the policy aggregate.
6. **Products Hazard/Completed Operations Hazard**
This provides up to an aggregate of \$1,000,000 in coverage for all bodily injury and property damage occurring away from your premises and arising out of your product or your work.
7. **Personal & Advertising Injury Coverage**
This coverage is subject to the per occurrence and aggregate limit selected for the General Liability coverage.

BLUE CREEK RISK PURCHASING GROUP

STATE OF ILLINOIS

OPTOMETRIC PROFESSIONAL LIABILITY MANUAL

MAY 3 - 2000

Applicable to both Occurrence and Claims-Made policies, unless noted.

I. APPLICATION OF THIS MANUAL-ELIGIBILITY

This program covers Optometrists, Opticians, and Ophthalmologists engaged in the rendering of professional services specific to their disciplines. Refer to the classification plan for a description of each risk/rating category.

A. Optometric Service Providers

Licensed members who meet the current underwriting standards of NCMIC Insurance Company, the insurer of the Blue Creek Risk Purchasing Group, for their particular practice.

B. Ancillary Personnel

Ancillary employees are included as insureds for their acts while performing duties within the scope of their employment while under the supervision of the insured named in the Coverage Summary. Ancillary Employees are not separately rated and do not include licensed health care providers.

C. Entity Coverage

Professional corporations, associations or partnerships formed for the express purpose of practicing optometry or ophthalmology may be provided coverage for shared limits at no additional charge under this program.

Professional corporations, association or partnerships formed for the express purpose of practicing optometry or ophthalmology can be provided coverage for separate limits for an additional charge. Refer to page 10.

II. PREMIUM DETERMINATION

1. Determine base rate for appropriate policy type and territory.
2. Refer to Classification Listing for the most appropriate class specialty being rated.
3. Apply appropriate credits and/or additional premiums.
4. Maximum premium discount of 50% for primary credits.
5. Application of credits will follow the order as listed in this manual.
6. Example Premium Calculation:

Assume the full time base rate is \$1000. Credits or debits will be applied in consecutive order.

\$1,000 x .90 =	\$900 (Four year claims free credit of 10%)
\$900 x .90 =	\$810 (Loss control credit of 10%)
\$810 x .90 =	\$729 (Professional Association credit 10%)
\$729 x .93 =	\$678 (Group Affinity credit of 7%)

6. Application of additional credits. Insured will only receive one additional credit, if eligible, per policy period.

III. POLICY PERIOD

The policy period shall be for a one year term, unless in the middle of a claims-made year. In this instance, a short-term policy will be issued to expire on the member's original expiration date. The policy period next following will be for one year.

IV. WHOLE DOLLAR PREMIUM RULE

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. If premium is .50 or greater, round to next higher whole dollar. If premium is .49 or less, round down. In the event of cancellation, the return premium shall be rounded to the nearest whole dollar.

Example: \$1234.30 is rounded to \$1234.
\$1234.60 is rounded to \$1235.

MAY 3 - 2009

V. POLICY CANCELLATION**A. Cancellation By the Insured**

The policyholder may cancel the policy by mailing or delivering notice to the Company stating when such cancellation shall be effective.

This policy will remain in full force and effect until its regular anniversary date unless the policy is canceled sooner by the Company in accordance with the laws of the State of Illinois.

B. Cancellation/Non-Renewal By the Company

The Company may cancel or non-renew the policy in accordance with the insurance laws of the State of Illinois. Standard cancellation notice will be sent 90 days prior to cancellation, except that in the event of non-payment of premium or if the insured is no longer licensed, then not less than ten (10) days prior notice will be given.

VI. PREMIUM PAYMENT OPTIONS

1. Annual
2. Semi-Annual 50% prepayment required
3. Quarterly 25% prepayment required
4. Monthly payment option available for large group accounts.

VII. RENEWALS

Upon membership in the Blue Creek Risk Purchasing Group, the policy will be automatically renewed upon receipt of the required premium on or before the date of each successive policy period. The renewal premium shall be based on rates in effect on the renewal or anniversary date. The applicable forms and endorsements must be made a part of the policy. Additional premiums for policy changes occurring during the current policy term shall be computed pro rata of the annual premium.

VIII. SPECIAL PROVISIONS**A. Disability, Leave of Absence or Family Leave**

Members who become disabled or take a leave of absence shall become eligible for suspension of coverage at a rate reduction of 90% of the otherwise applicable rate for the period of disability or leave of absence. The period must extend for a minimum length of thirty (30) days or more up to a maximum of one hundred eighty (180) days. The lower premium will apply retroactively to the first day of the disability or leave.

This option provides continued protection to the provider who experiences a temporary interruption in his or her practice (subject to the stated eligibility requirements), for claims arising from acts, errors or omissions which occurred prior to the inception of the disability or leave. There is no coverage for acts, errors or omissions during the leave or disability period. Because the policy does not cancel, there is no need for the purchase of Extended Reporting Endorsement Coverage (Tail).

Proof of disability must be submitted to the Company for approval, and the calculation of the credit will be on a pro rata basis for the period of the qualifying disability or leave.

While on disability or leave, credit toward extended reporting vesting will continue to accrue, and the insured must continue to pay premiums when due.

Eligible Situations For Leave of Absence or Family Leave Credit: Short-Term Disability, Maternity Leave, Family Emergency, Continuing Education, Military Leave – Does not apply to vacations.

B. Retroactive Coverage (For Claims Made only)

This extension covers incidents which occurred subsequent to the prior carrier's retroactive date, but which are neither known nor reported as of the inception date of the replacement coverage written by NCMIC. The insured may purchase this equivalent of Extended Reporting Period Coverage from the Company. The insured may select the Retroactive Date (shown on the Coverage Summary) from a date that is equal to the retroactive date shown on the previous policy.

Premium for this extension is derived by rating the policy based upon the claims-made step factor determined by using the previous carrier's retroactive date.

No permission shall be granted for advancing the Retroactive Date after the policy has taken effect.

C. Basic Reporting Extension (For Claims Made only)

This option applies when coverage under the policy ends, either by action of the insured or the Company through cancellation, termination or non-renewal.

Under the circumstances stated above, the Company will provide a sixty (60) day Basic Reporting Extension which allows claims to be reported during this time which result from incidents that happened during the time the coverage was in force.

Within thirty (30) days of when the policy coverage terminates, the Company must advise the insured of the availability of an extended reporting endorsement, the premium cost, and the importance of buying this additional coverage extension, commonly called "Tail Coverage".

The insured will have the greater of sixty (60) days from the date the coverage is terminated, or thirty (30) days from the date of notice, to accept the Extended Reporting Endorsement in writing.

This endorsement will not be made available to an insured if coverage is canceled for non-payment of premium.

D. Extended Reporting Endorsement (For Claims Made only), also called Tail Coverage

This endorsement will provide coverage for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims which arose from incidents that occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. This endorsement can be applied to group or entity policies.

The following factors shall apply with respect to premium calculation:

Number Of Years Completed In Tail Factor*

Claims Made Program

1	.85
2	1.20
3	1.40
4+	1.55

Applied to the claims made rate in effect during the years immediately prior to termination/non-renewal of coverage.

If the Insured fails to pay the Extended Reporting Endorsement premium when due, the Insured will be liable to the Company for any losses and loss expenses incurred.

NCMIC Insurance Company cannot cancel the extended reporting endorsement except for non-payment of the additional premium.

E. Discount Extended Reporting Endorsement (For Claims Made only)/ Tail Coverage

The Company provides an Extended Reporting Endorsement automatically, at no additional charge, in the event that the insured dies, becomes permanently disabled or retires at age fifty-five (55) or later and after having been continuously insured with NCMIC Insurance Company under a claims-made policy for five (5) years.

Should the insured retire with less than five (5) years of continuous claims-made coverage with NCMIC Insurance Company and is at least 55 years of age, the following discounts will apply to the number of years of completed claims made coverage under this policy:

One Year	10%
Two Years	20%
Three Years	30%
Four Years	50%

These discounts will be applied to the member's final annualized premium before the date of retirement.

IX. PRIMARY CREDITS/DEBITS

The Blue Creek Risk Purchasing Group offers its insureds a variety of premium credits to meet their particular practice circumstances. The maximum primary credit that will be applied to the base rate for any one member of the purchasing group will be 50%. The maximum primary debit that will be applied to the base rate for any one member of the purchasing group will be 15%.

The specific criteria that will be reviewed by Blue Creek Insurance Services and NCMIC Insurance Company in applying credits and debits listed are listed below. The actual determination of the appropriate credit or debit will be determined through the underwriting review of the applicant's application.

Claims free credits/debits

The claims free credit shall apply only if there is verifiable experience for the time period specified.

Claims free for previous three years – 0%-5% credit

Claims free for previous four years – 0%-10% credit

Claims free for previous five years – 0%-15% credit

One loss in previous five years – 0%-5% debit

Greater than one loss during previous five years – 0%-15% debit

Documentation, including copies of judgements, awards or stipulations of settlement will be requested and reviewed where available.

To obtain and verify experience applicable to each prospective insured, the Insured will seek claim information from:

- a. The applicant
- b. The agent or broker
- c. All previous insurers with respect to the experience period in question.

Loss Control Credit

Members who implement standardized and systematic loss control procedures may be eligible for a 0%-10% credit. In order to qualify for this credit, the member must demonstrate, based on criterion established by NCMIC Insurance Company, credible loss control procedures have been properly implemented.

Professional Association Membership Credit

Members who are in good standing of recognized professional associations may be eligible to receive a credit of 0%-10%. In order to qualify for this credit, the member must notify Blue Creek Insurance Services of the membership on the application for insurance or in other written form.

Credentialing Credit

Members who meet all of the credentialing requirements of a provider network, HMO, IPA, MCO, may qualify for 0%-10% credit. If credentialing is maintained, this credit will be applied during each renewal period.

Group Affinity Credit

Members who are part of or employees of a professional association, corporation, or other group who become members of the Blue Creek Risk Purchasing Group **may** be eligible for a credit based on the number of group employees or association members that become members of the Blue Creek Risk Purchasing Group.

3-10 participants – 5%

11-25 participants – 7%

26-50 participants – 9%

51+ Refer to underwriting department

X. ADDITIONAL CREDITS

These credits may be applied to the insured's premium after all other rate modifications have been made. The application of these credits will not impact the insured's potential 50% maximum primary credit. The insured is only eligible for one additional credit during the policy period.

New Practitioner Credit

A new practitioner is defined as a person who has completed his or her training within the previous six months; whose only contact with patients has been in the course of his or her training; and who has not been previously insured by NCMIC Insurance Company or a member of a Blue Creek Risk Purchasing Group.

Claims Made 1 st year	50% credit
Claims Made 2 nd year	30% credit
Claims Made 3 rd year	25% credit
Occurrence 1 st year	50% credit
Occurrence 2 nd year	30% credit
Occurrence 3 rd year	25% credit

Part - Time Credit

An insured must practice less than 20, but more than 10 hours per week to become eligible for this credit. The insured must complete an application for part time credit. If the application is approved, the credit applied is 50% of the approved occurrence or claims-made base premium. If an insured receives the Part - Time credit, they will not be eligible for the Administrative credit.

Administrative Credit

An insured must practice less than 10 hours per week to become eligible for this credit. The insured must complete an application for the administrative credit. If the application is approved, the credit applied is 75% of the approved occurrence or claims made base premium. If an insured receives the Administrative credit, they will not be eligible for the Part - Time credit.

XI. ENDORSED COVERAGES**Prior Acts Endorsement**

Provides coverage for members who change from a claims made policy to an occurrence policy and who do not purchase tail coverage. **There can be NO lapse of coverage between the claims-made policy and the issuance of the NCMIC occurrence policy.**

Injuries, which occurred on or after the retroactive date and before expiration referenced in the endorsement will be covered.

Applicant must answer all questions regarding "prior acts" in the general application.

Full payment must be made for this endorsement at the time that the down payment is made for the basic policy.

Prior Acts premium is 100% earned. No refund available.

Require copy of claims-made policy declaration page showing the following:

- 1) Name of insured (must be same as our applicant).
- 2) Policy term of claims-made policy.
- 3) Limit of liability of claims-made policy.
- 4) Retroactive date: We will provide coverage for any retroactive date as long as the insured has had continuous insurance coverage without lapse or cancellation due to non-payment of premium.

Can only issue Prior Acts Endorsement with same or lower limits than claims-made policy.

This endorsement can only be issued with Blue Creek Risk Purchasing Group occurrence policy.

Rates: applied for the state where the claims-made policy was issued.

- 1) If retroactive date applied for is 1 year prior to effective date: 62.8% of base premium
- 3) If retroactive date applied for is 2 years prior to effective date: 93.6% of base premium
- 4) If retroactive date applied for is 3 years prior to effective date: 102% of base premium
- 5) If retroactive date applied for is 4 +years prior to effective date: 103.9% of base premium

If a claim is made for an injury which occurred during prior acts period, policy terms which apply are the terms of the policy issued at the time the Prior Acts Endorsement was purchased, including all mandatory endorsements.

Other endorsements can only be added if those endorsements were originally a part of the claims-made policy.

Utilization Review Endorsement

There is no additional charge for this endorsement. Our liability for damages could be exhausted by the payment of claims expenses, which include legal fees, because the limits under the endorsement are separate from the limit under the policy. Our policy excludes utilization review coverage and therefore does not provide payment for losses, legal fees, etc. covered under the endorsement. Coverage is provided for rendering an opinion on the adequacy, necessity or reasonableness of care furnished by another health care professional based on a review of the patient's records without a physical examination. The limit of liability for all **damages** under this endorsement is \$50,000 Per **Medical Incident** Limit of Liability and \$100,000 Policy Aggregate Limit of Liability.

The insured must complete an application for utilization review.

Peer Review Endorsement

There is no additional charge for this endorsement. This endorsement provides coverage for the insured while performing peer review. Peer review activities means the evaluation of the **professional services** rendered by another healthcare professional for the purpose of determining the qualifications and/or the competency of the professional including service on or executing the directives of a formal committee or panel. The limit of liability for all **damages** under this endorsement is \$50,000 Per **Medical Incident** Limit

of Liability and \$100,000 Policy Aggregate Limit of Liability. **Damages** include all legal fees, investigative fees, court reporter fees, court costs, and expert witness fees, judgments, or settlements.

The insured must complete an application for peer review.

Professional Discipline Endorsement

This endorsement will provide coverage for the defense of the initial action by the State Licensing Board to suspend, revoke or discipline an insured. However, our obligation shall be limited to payment of the reasonable legal fees and expenses of a lawyer, not to exceed \$5,000 Per Action/ \$10,000 Per Policy Period. This endorsement will not apply to legal fees and expenses for an appeal made by the insured after the State Licensing Board has rendered a final decision.

The insured must complete an application for the professional discipline endorsement. Cost of this endorsement will be \$125.00.

Defendant's Reimbursement Endorsement

This endorsement amends page 2 of the policy Supplementary Payments provision to include coverage for all reasonable expenses incurred by the insured when you are out of the office at the request of NCMIC Insurance Company to assist in the investigation or defense of a medical incident or suit. The endorsement covers loss of earnings of up to \$500 per day, up to a maximum of \$5,000 per medical incident/\$10,000 per policy period.

Civil Investigation Endorsement

This endorsement amends page 2 of the policy Supplementary Payments provision to include coverage for all lawyer(s) fees and expenses to defend the insured in a revocation, suspension, or disciplinary action before the state licensing board. The action must be the result of an injury or damage resulting from a medical incident. There is no charge for this endorsement.

Anesthetic Agent Endorsement

This endorsement provides coverage for the administering of anesthetic agents. There is no additional charge for this endorsement.

Surgery Endorsement

This endorsement provides coverage for the member only while performing surgery within the classification identified on the endorsement. There is no charge for this endorsement.

Additional Insured Endorsement

This endorsement provides coverage for an additional insured. This is an optional endorsement. The charge for this endorsement will be: 20% of base premium if the insured is affiliated with the additional insured for less than 50 hours per year; a charge of 25% of base premium if the insured is affiliated with the additional insured for 50 or more hours per year and less than 150 hours per year; and 30% of base premium if the insured is affiliated with the additional insured for 150 or more hours per year.

The insured must complete an application for the additional insured endorsement.

Seminar And Continuing Education Endorsement

This endorsement provides coverage for the member while either teaching at or attending a seminar. This is an optional endorsement. The charge for this endorsement will be: 0% of base premium if the member is attending and/or teaching seminars for less than 25 hours per year; a charge of 5% of base premium if the insured is attending and/or teaching seminars for 25 or more hours per year and less than 50 hours per year; and 10% of base premium if the insured is attending and/or teaching seminars for 50 or more hours per year.

and less than 75 hours per year; and 15% of base premium if the insured is attending and/or teaching seminars for 75 or more hours per year.

The insured must complete an application for the seminar and continuing education endorsement.

Team Endorsement

This endorsement provides coverage for the insured while acting as a service provider for a team. The charge for this endorsement will be 15% of the base premium, if the insured is a service provider for a professional team. There is no additional charge for this endorsement if the insured is a service provider for an amateur team.

Product Liability Endorsement

This endorsement provides coverage for the insured for damages arising from any loss, cost or expense incurred by the insured or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal, or disposal of a product, other than real property, manufactured, sold, handled, distributed or disposed of by the insured due to a known or suspected defect, deficiency, inadequacy, or dangerous condition in it. The limit of liability for all damages under this endorsement is \$50,000 incident and \$100,000 aggregate limit of liability.

The premium charge for this coverage will be 10% of the base premium for the insured's professional liability coverage.

General Liability Endorsement

This endorsement will provide coverage for the insured for damages arising from any loss, cost or expense incurred by the insured from an injury occurring on the insured's premises as defined in the endorsement. The minimum cost for this endorsement will be \$50 for all premises regardless of size. Please refer to the General Liability Rating Manual for premium determination.

Managed Care Endorsement

This endorsement pays for all sums which the entity defined in the policy shall become legally obligated to pay as a result damages due to an injury caused by the insured. There is no additional charge for this endorsement.

Blank Endorsement

This endorsement may be utilized as a manuscript form to broaden, restrict, or clarify coverage issues. The endorsement may also be utilized to clarify adjustments in rating.

XII. PREMIUMS-Special Rules

Locum Tenens Coverage

Shall be provided, at no additional premium, for a period not to exceed sixty (60) days per policy term (one year). A completed application must be submitted to the company prior to any such coverage requested.

Separate Limits of Coverage- Corporation Coverage only.

- a) Sole Practitioner: To add the member's legal entity to the policy for a separate limit of coverage: 10% of insured member's undiscounted base premium.
- b) Multiple Practitioners: 10% of the premium. To be calculated from the highest insured's undiscounted base premium.

XIII. Classification Plan – Refer to rate sheet for base rate information.

Class O-1 (Optician) Use 100/300 as base rate.

Class O-2 (Optometric) Use 100/300 as base rate.

Class O-3 (Ophthalmology) Use 100/300 as base rate.

No Surgery (O-3a) – Relativity 1.00

Laser Surgery w/o Cosmetic (O-3b) – Relativity 1.47

Laser Surgery (O-3c) – Relativity 1.99

RATES

ILLINOIS Territories

01 – Cook County

02 – Remainder of state

Optometrist Claims Made Base Rates (for O-1 provider @ 100/300 limits)

Illinois Territory 01 -- \$410.00

Illinois Territory 02 -- \$246.00

Optometrist Occurrence Base Rates (for O-1 provider @ 100/300 limits)

Illinois Territory 01 -- \$427.00

Illinois Territory 02 -- \$256.00

Optician Claims Made Base Rates (for O-1 provider @ 100/300 limits)

Illinois Territory 01 -- \$58.00

Illinois Territory 02 -- \$38.00

Optician Occurrence Base Rates (for O-1 provider @ 100/300 limits)

Illinois Territory 01 -- \$60.00

Illinois Territory 02 -- \$40.00

Ophthalmology Claims Made Base Rates (for O-1 provider @ 100/300 limits)

Illinois Territory 01 -- \$6758.00

Illinois Territory 02 -- \$5204.00

Ophthalmology Occurrence Base Rates (for O-1 provider @ 100/300 limits)

Illinois Territory 01 -- \$7040.00

Illinois Territory 02 -- \$5421.00

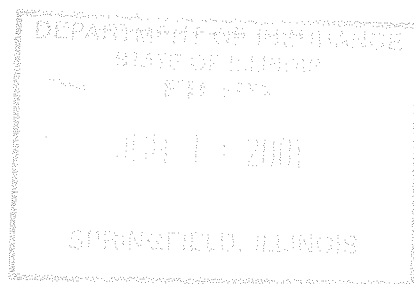
Increase limit factors: The applicable limit factor is determined by the chosen limit option on the application.

Limits of Liability	Increase Limit Factors
\$100,000/\$300,000	1.00
\$200,000/\$600,000	1.30
\$250,000/\$750,000	1.31
\$500,000/\$1,000,000	1.36
\$1,000,000/\$3,000,000	1.488
\$2,000,000/\$4,000,000	2.096
\$3,000,000/\$5,000,000	2.620
\$5,000,000/\$5,000,000	3.016

Claims-Made Step Factors:

Year	Claims-Made Step Factor
1	0.35
2	0.66
3	0.90
4	0.98
Mature	1.00

NCMIC RISK PURCHASING GROUP
STATE OF ILLINOIS
DENTAL PROFESSIONAL LIABILITY MANUAL



Applicable to both Occurrence and Claims-Made policies, unless noted.

I. APPLICATION OF THIS MANUAL-ELIGIBILITY

This program covers Dentists engaged in general dentistry, dental anesthesia and oral surgery or operative dentistry on patients rendered unconscious through the administering of an anesthesia or analgesia. Refer to the classification plan for a description of each risk/rating category.

A. Dental Service Providers

Licensed dentists who must meet the current underwriting standards of NCMIC Insurance Company, the insurer of the NCMIC Risk Purchasing Group, for their particular dental practice.

B. Ancillary Dental Personnel

Ancillary employees are included as insureds for their acts while performing duties within the scope of their employment while under the supervision of the insured dentist named in the Coverage Summary. Ancillary Employees are not separately rated and do not include licensed health care providers.

C. Entity Coverage

Professional corporations, associations or partnerships formed for the express purpose of practicing dentistry may be provided coverage for shared limits at no additional charge under this program.

Professional corporations, association or partnerships formed for the express purpose of practicing dentistry can be provided coverage for separate limits for an additional charge. Refer to page 10.

II. PREMIUM DETERMINATION

1. Determine base rate for appropriate policy type and territory.
2. Refer to Classification Listing for the most appropriate class specialty being rated.
3. Apply appropriate credits and/or additional premiums.
4. Maximum premium discount of 50% for primary credits.
5. Application of credits will follow the order as listed in this manual.
6. Example Premium Calculation:
 Assume the full time base rate is \$1000. Credits or debits will be applied in consecutive order.
 $\$1,000 \times .90 = \900 (Four year claims free credit of 10%)
 $\$900 \times .90 = \810 (Loss control credit of 10%)
 $\$810 \times .90 = \729 (Professional Association credit 10%)
 $\$729 \times .93 = \678 (Group Affinity credit of 7%)
7. Application of additional credits. Insured will only receive one additional credit, if eligible, per policy period.
8. There will be a \$50.00 charge for currently enrolled dental students who are actively involved in seminars, practicum, and board exams. Dental students shall only be eligible for limits of liability of \$100,000 per occurrence and \$300,000 aggregate.
9. There will be a \$200.00 minimum premium for all dental policies other than dental student coverage.

III. POLICY PERIOD

The policy period shall be for a one year term, unless in the middle of a claims-made year. In this instance, a short-term policy will be issued to expire on the dentist's original expiration date. The policy period next following will be for one year.

IV. WHOLE DOLLAR PREMIUM RULE

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. If premium is .50 or greater, round to next higher whole dollar. If premium is .49 or less, round down. In the event of cancellation, the return premium shall be rounded to the nearest whole dollar.

Example: \$1234.30 is rounded to \$1234.
\$1234.60 is rounded to \$1235.

V. POLICY CANCELLATION

A. Cancellation By the Insured

The policyholder may cancel the policy by mailing or delivering notice to the Company stating when such cancellation shall be effective.

This policy will remain in full force and effect until its regular anniversary date unless the policy is canceled sooner by the Company in accordance with the laws of the State of Arkansas.

B. Cancellation/Non-Renewal By the Company

The Company may cancel or non-renew the policy in accordance with the insurance laws of the State of Arkansas. Standard cancellation notice will be sent 90 days prior to cancellation, except that in the event of non-payment of premium or if the insured is no longer licensed, then not less than ten (10) days prior notice will be given.

VI. PREMIUM PAYMENT OPTIONS

1. Annual
2. Semi-Annual 50% prepayment required
3. Quarterly 25% prepayment required
4. Monthly payment option available for large group accounts.

VII. RENEWALS

Upon membership in the NCMIC Risk Purchasing Group, the policy will be automatically renewed upon receipt of the required premium on or before the date of each successive policy period. The renewal premium shall be based on rates in effect on the renewal or anniversary date. The applicable forms and endorsements must be made a part of the policy. Additional premiums for policy changes occurring during the current policy term shall be computed pro rata of the annual premium.

VIII. SPECIAL PROVISIONS

A. Disability, Leave of Absence or Family Leave

Dentists who become disabled or take a leave of absence shall become eligible for suspension of coverage at a rate reduction of 90% of the otherwise applicable rate for the period of disability or leave of absence. The period must extend for a minimum length of thirty (30) days or more up to a maximum of one hundred eighty (180) days. The lower premium will apply retroactively to the first day of the disability or leave.

This option provides continued protection to the dental provider who experiences a temporary interruption in his or her practice (subject to the stated eligibility requirements), for claims arising from acts, errors or omissions which occurred prior to the inception of the disability or leave. There is no coverage for acts, errors or omissions during the leave or disability period. Because the policy does not cancel, there is no need for the purchase of Extended Reporting Endorsement Coverage (Tail).

Proof of disability must be submitted to the Company for approval, and the calculation of the credit will be on a pro rata basis for the period of the qualifying disability or leave.

While on disability or leave, credit toward extended reporting vesting will continue to accrue, and the insured must continue to pay premiums when due.

Eligible Situations For Leave of Absence or Family Leave Credit: Short-Term Disability, Maternity Leave, Family Emergency, Continuing Dental Education, Military Leave – Does not apply to vacations.

B. Retroactive Coverage (For Claims Made only)

This extension covers incidents which occurred subsequent to the prior carrier's retroactive date, but which are neither known nor reported as of the inception date of the replacement coverage written by NCMIC. The insured may purchase this equivalent of Extended Reporting Period Coverage from the Company. The insured may select the Retroactive Date (shown on the Coverage Summary) from a date that is equal to the retroactive date shown on the previous policy.

Premium for this extension is derived by rating the policy based upon the claims-made step factor determined by using the previous carrier's retroactive date.

No permission shall be granted for advancing the Retroactive Date after the policy has taken effect.

C. Basic Reporting Extension (For Claims Made only)

This option applies when coverage under the policy ends, either by action of the insured or the Company through cancellation, termination or non-renewal.

Under the circumstances stated above, the Company will provide a sixty (60) day Basic Reporting Extension which allows claims to be reported during this time which result from incidents that happened during the time the coverage was in force.

Within thirty (30) days of when the policy coverage terminates, the Company must advise the insured of the availability of an extended reporting endorsement, the premium cost, and the importance of buying this additional coverage extension, commonly called "Tail Coverage".

The insured will have the greater of sixty (60) days from the date the coverage is terminated, or thirty (30) days from the date of notice, to accept the Extended Reporting Endorsement in writing.

D. Extended Reporting Endorsement (For Claims Made only), also called Tail Coverage

This endorsement will provide coverage for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims which arose from incidents which occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. This endorsement can be applied to group or entity policies.

The following factors shall apply with respect to premium calculation:

Number Of Years Completed In Tail Factor*

Claims Made Program

1	.85
2	1.20
3	1.40
4+	1.55

Applied to the claims made rate in effect during the years immediately prior to termination/non-renewal of coverage.

If the Insured fails to pay the Extended Reporting Endorsement premium when due, the Insured will be liable to the Company for any losses and loss expenses incurred.

NCMIC Insurance Company cannot cancel the extended reporting endorsement except for non-payment of the additional premium.

E. Discount Extended Reporting Endorsement (For Claims Made only)/ Tail Coverage

The Company provides an Extended Reporting Endorsement automatically, at no additional charge, in the event that the insured dies, becomes permanently disabled or retires at age fifty-five (55) or later and after having been continuously insured with NCMIC Insurance Company under a claims-made policy for five (5) years.

Should the insured retire with less than five (5) years of continuous claims-made coverage with NCMIC Insurance Company and is at least 55 years of age, the following discounts will apply to the number of years of completed claims made coverage under this policy:

One Year	10%
Two Years	20%
Three Years	30%
Four Years	50%

These discounts will be applied to the member's final annualized premium before the date of retirement.

Classification Plan**Class D-1****Relativity 1.00**

This class includes general dentists or specialists in orthodontics, pediatric dentistry, periodontics, endodontics, and oral pathology not otherwise classified in Class D-2.

Members of this class can perform conscious sedation, third molar extractions, full-mouth banding

Members of this class will not receive coverage for any liability arising from the administration of a general anesthetic intended to cause unconsciousness unless administered in a hospital. Please review class D-2 for dentists who administer general anesthesia in an office environment.

Class D-2**Relativity 1.25**

Members of this class include any dentist performing implants involving osseointegration with administration of anesthesia in a hospital environment. Also included are general dentists or specialists allowing unconscious sedation in the dental office, but only if the sedation is administered by a dental or medical anesthesiologist.

Class D-3**Relativity 3.00**

Members of this class are specialists in dental anesthesiology.

Class D-4**Relativity 4.50**

Members of this class are specialists in oral and maxillofacial surgery not included in Class D-5. To receive a rate in this class the administration of general anesthetic intended to cause unconsciousness must be administered in a hospital.

Class D-5

Members of this class are specialists in oral and maxillofacial surgery who administer, personally or by an employed/contracted anesthesiologist, any general anesthetic intended to cause unconsciousness if administered in a dental office.

IX. PRIMARY CREDITS/DEBITS

The NCMIC Risk Purchasing Group offers its insureds a variety of premium credits to meet their particular practice circumstances. The maximum primary credit that will be applied to the base rate for any one member of the purchasing group will be 50%. The maximum primary debit that will be applied to the base rate for any one member of the purchasing group will be 15%.

The specific criteria that will be reviewed by NCMIC Insurance Services and NCMIC Insurance Company in applying credits and debits listed are listed below. The actual determination of the appropriate credit or debit will be determined through the underwriting review of the applicant's application.

Claims free credits/debits

The claims free credit shall apply only if there is verifiable experience for the time period specified.

Claims free for previous three years – 0%-5% credit

Claims free for previous four years – 0%-10% credit

Claims free for previous five years – 0%-15% credit

One loss in previous five years – 0%-5% debit

Greater than one loss during previous five years – 0%-15% debit

Documentation, including copies of judgements, awards or stipulations of settlement will be requested and reviewed where available.

To obtain and verify experience applicable to each prospective insured, the Insured will seek claim information from:

- a. The applicant
- b. The agent or broker
- c. All previous insurers with respect to the experience period in question.

Loss Control Credit

Dentists who implement standardized and systematic loss control procedures may be eligible for a 0%-10% credit. In order to qualify for this credit, the dentist must demonstrate, based on criterion established by NCMIC Insurance Company, credible loss control procedures have been properly implemented.

Professional Association Membership Credit

Dentists who are members in good standing of recognized professional associations may be eligible to receive a credit of 0%-10%. In order to qualify for this credit, the dentist must notify NCMIC Insurance Services of the membership on the application for insurance or in other written form.

Credentialing Credit

Dentists who meet all of the credentialing requirements of a provider network, HMO, IPA, MCO, may qualify for 0%-10% credit. If credentialing is maintained, this credit will be applied during each renewal period.

Group Affinity Credit

Dentists who are part of or employees of a professional association, corporation, or other group who become members of the NCMIC Risk Purchasing Group **may** be eligible for a credit based on the number of group employees or association members that become members of the NCMIC Risk Purchasing Group.

3-10 participants – 5%

11-25 participants – 7%

26-50 participants – 9%

51+ Refer to underwriting department

X. ADDITIONAL CREDITS

These credits may be applied to the insured's premium after all other rate modifications have been made. The application of these credits will not impact the insured's potential 50% maximum primary credit. The insured is only eligible for one additional credit during the policy period.

New Dentist Credit

A new dentist is defined as a person who has completed his or her dental training within the previous six months; whose only contact with patients has been in the course of his or her training; and who has not been previously insured by NCMIC Insurance Company or a member of a NCMIC Risk Purchasing Group.

Claims Made 1 st year	50% credit
Claims Made 2 nd year	30% credit
Claims Made 3 rd year	25% credit
Occurrence 1 st year	50% credit
Occurrence 2 nd year	30% credit
Occurrence 3 rd year	25% credit

Part - Time Credit

An insured must practice less than 20, but more than 10 hours per week to become eligible for this credit. The insured must complete an application for part time credit. If the application is approved, the credit applied is 50% of the approved occurrence or claims-made base premium. If an insured receives the Part - Time credit, they will not be eligible for the Administrative credit.

Administrative Credit

An insured must practice less than 10 hours per week to become eligible for this credit. The insured must complete an application for the administrative credit. If the application is approved, the credit applied is 75% of the approved occurrence or claims made base premium. If an insured receives the Administrative credit, they will not be eligible for the Part - Time credit.

XI. ENDORSED COVERAGES

Prior Acts Endorsement

Provides coverage for dentists who change from a claims made policy to an occurrence policy and who do not purchase tail coverage. **There can be NO lapse of coverage between the claims-made policy and the issuance of the NCMIC occurrence policy.**

Injuries, which occurred on or after the retroactive date and before expiration referenced in the endorsement will be covered.

Applicant must answer all questions regarding “prior acts” in the general application.

Full payment must be made for this endorsement at the time that the down payment is made for the basic policy.

Prior Acts premium is 100% earned. No refund available.

Require copy of claims-made policy declaration page showing the following:

- 1) Name of insured (must be same as our applicant).
- 2) Policy term of claims-made policy.
- 3) Limit of liability of claims-made policy.
- 4) Retroactive date: We will provide coverage for any retroactive date as long as the insured has had continuous insurance coverage without lapse or cancellation due to non-payment of premium.

Can only issue Prior Acts Endorsement with same or lower limits than claims-made policy.

This endorsement can only be issued with NCMIC Risk Purchasing Group occurrence policy.

Rates: applied for the state where the claims-made policy was issued.

- 1) If retroactive date applied for is 1 year prior to effective date: 62.8% of base premium
- 3) If retroactive date applied for is 2 years prior to effective date: 93.6% of base premium
- 4) If retroactive date applied for is 3 years prior to effective date: 102% of base premium
- 5) If retroactive date applied for is 4 +years prior to effective date: 103.9% of base premium

If a claim is made for an injury which occurred during prior acts period, policy terms which apply are the terms of the policy issued at the time the Prior Acts Endorsement was purchased, including all mandatory endorsements.

Other endorsements can only be added if those endorsements were originally a part of the claims-made policy.

Utilization Review Endorsement

There is no additional charge for this endorsement. Our liability for damages could be exhausted by the payment of claims expenses, which include legal fees, because the limits under the endorsement are separate from the limit under the policy. Our policy excludes utilization review coverage and therefore does not provide payment for losses, legal fees, etc. covered under the endorsement. Coverage is provided for rendering an opinion on the adequacy, necessity or reasonableness of care furnished by another health care professional based on a review of the patient's records without a physical examination. The limit of liability for all **damages** under this endorsement is \$50,000 Per **Medical Incident** Limit of Liability and \$100,000 Policy Aggregate Limit of Liability.

The insured must complete an application for utilization review.

Peer Review Endorsement

There is no additional charge for this endorsement. This endorsement provides coverage for the insured while performing peer review. Peer review activities means the evaluation of the **professional services** rendered by another healthcare professional for the purpose of determining the qualifications and/or the competency of the dental professional including service on or executing the directives of a formal committee or panel. The limit of liability for all **damages** under this endorsement is \$50,000 Per **Medical Incident** Limit of Liability and \$100,000 Policy Aggregate Limit of Liability. **Damages** include all legal fees, investigative fees, court reporter fees, court costs, court reporter fees, court costs, and expert witness fees, judgments, or settlements.

The insured must complete an application for peer review.

Professional Discipline Endorsement

This endorsement will provide coverage for the defense of the initial action by the State Licensing Board to suspend, revoke or discipline an insured. However, our obligation shall be limited to payment of the reasonable legal fees and expenses of a lawyer, not to exceed \$5,000 Per Action/ \$10,000 Per Policy Period. This endorsement will not apply to legal fees and expenses for an appeal made by the insured after the State Licensing Board has rendered a final decision.

The insured must complete an application for the professional discipline endorsement. Cost of this endorsement will be \$125.00.

Anesthetic Agent Endorsement

This endorsement provides coverage for the administering of anesthetic agents. There is no additional charge for this endorsement. This endorsement is only available to dentists who are rated in Class D-3, Class D-4 or Class D-5 in the rating plan.

Surgery Endorsement

This endorsement provides coverage for the dentist only while performing surgery within the classification identified on the endorsement. There is no additional charge for this endorsement. This endorsement is only available to dentists who are rated in Class D-4 or Class D-5.

Additional Insured Endorsement

This endorsement provides coverage for an additional insured. This is an optional endorsement. The charge for this endorsement will be: 20% of base premium if the insured is affiliated with the additional insured for less than 50 hours per year; a charge of 25% of base premium if the insured is affiliated with the additional insured for 50 or more hours per year and less than 150 hours per year; and 30% of base premium if the insured is affiliated with the additional insured for 150 or more hours per year.

The insured must complete an application for the additional insured endorsement.

Seminar And Continuing Education Endorsement

This endorsement provides coverage for the insured while either teaching at or attending a seminar. This is an optional endorsement. The charge for this endorsement will be: 0% of base premium if the insured is attending and/or teaching seminars for less than 25 hours per year; a charge of 5% of base premium if the insured is attending and/or teaching seminars for 25 or more hours per year and less than 50 hours per year; and 10% of base premium if the insured is attending and/or teaching seminars for 50 or more hours per year and less than 75 hours per year; and 15% of base premium if the insured is attending and/or teaching seminars for 75 or more hours per year.

The insured must complete an application for the seminar and continuing education endorsement.

Team Physician (Dental) Endorsement

This endorsement provides coverage for the insured while acting as a team dentist. The charge for this endorsement will be 15% of the base premium, if the insured is a team dentist for a professional team. There is no additional charge for this endorsement if the insured is a team dentist for an amateur team.

Product Liability Endorsement

This endorsement provides coverage for the insured for damages arising from any loss, cost or expense incurred by the insured or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal, or disposal of a product, other than real property, manufactured, sold, handled, distributed or disposed of by the insured due to a known or suspected defect, deficiency, inadequacy, or dangerous condition in it. The limit of liability for all damages under this endorsement is \$50,000 incident and \$100,000 aggregate limit of liability.

The premium charge for this coverage will be 10% of the base premium for the insured's professional liability coverage.

Blank Endorsement

This endorsement may be utilized as a manuscript form to broaden, restrict, or clarify coverage issues. The endorsement may also be utilized to clarify adjustments in rating. ✓

XII. PREMIUMS-Special Rules

Locum Tenens Coverage

Shall be provided, at no additional premium, for a period not to exceed sixty (60) days per policy term (one year). A completed application must be submitted to the company prior to any such coverage requested.

Separate Limits of Coverage- Corporation Coverage only.

- a) Sole Practitioner: To add the dentist's legal entity to the policy for a separate limit of coverage: 10% of insured dentist's undiscounted base premium.
- b) Multiple Practitioners: 10% of the premium. To be calculated from the highest insured's undiscounted base premium.

RATES

Illinois Territories

01 – Chicago Area (Cook, DePage, Lake, Will, Kendel, Kane and McHenry counties)

02 – St. Louis Area (Monroe, St. Clair, Madison, Clinton, Washington, Randolph and Jersey counties)

03 – Remainder of state (all other counties)

Claims Made Base Rates (for D-1 provider @ 100/300 limits)

Illinois Territory 01 -- \$1477.00

Illinois Territory 02 -- \$1515.00

Illinois Territory 03 -- \$1317.00

Occurrence Base Rates (for D-1 provider @ 100/300 limits)

Illinois Territory 01 -- \$1538.00

Illinois Territory 02 -- \$1579.00

Illinois Territory 03 -- \$1373.00

Dental Increase limit factors: The applicable limit factor is determined by the chosen limit option on the application.

Limits of Liability	Increase Limit Factors
\$100,000/\$300,000	1.00
\$200,000/\$600,000	1.30
\$250,000/\$750,000	1.31
\$500,000/\$1,000,000	1.36
\$1,000,000/\$3,000,000	1.488
\$2,000,000/\$4,000,000	2.096
\$3,000,000/\$5,000,000	2.704

Claims-Made Step Factors:

Year	Claims-Made Step Factor
1	0.35
2	0.66
3	0.90
4	0.98
Mature	1.00



Fax



NCMIC Group Inc.

Date: 6/20/02

1452 29th Street Suite 102
West Des Moines, Iowa 50266-1307

Pages including
this cover page: 22

Mailing Address: P.O. Box 9118
Des Moines, Iowa 50306-9118
1-800-247-8043

To: Donna Raffa
Company: Illinois Department of Insurance
Phone: _____ Ext. _____
Fax: 217-524-2122

From: A.J. Simpson
Phone: 800-321-7015 Ext. 2966
Fax: 515-327-2233

☐ Declaration Page
☐ Application & Rate Sheet

☒ For Review
☐ Please Reply

☐ Other

Comments: Dear Ms Raffa,

I have attached the Chiropractic rating manual for your review if you have
any questions please give me a call at the above phone number. I will
be sending the RPG rating manual under separate cover.

Thanks AJ

Products & Services

NCMIC Insurance Company

- ✓ Comprehensive Chiropractic Malpractice Protection
- ✓ "A-" (Excellent) A.M. Best/"A+" Standard & Poor's Rating
- ✓ Nationwide Network of Attorneys
- ✓ Leading Supporter of Chiropractic Research
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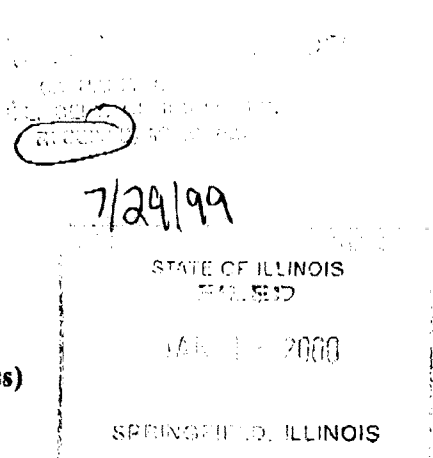
800.247.8043 • 515.222.1736

July 23, 1999

Mr. Frank Weaver
Supervising Insurance Analyst
Illinois Dept. of Insurance
320 West Washington St.
Springfield, IL 62767

VIA OVERNIGHT MAIL

Re: NCMIC Insurance Company
NAIC #000-15865
Professional Liability (Chiropractic Malpractice)
Rule Filing
Our Filing No.: ILMP&CM2
Proposed Effective Date: January 1, 2000 (new business)
December 1, 1999 (renewals)



Dear Mr. Weaver:

NCMIC currently has approved with your department two rule manuals which relate to our individual chiropractic malpractice program. One of the approved manuals is for our occurrence policy; and the other approved manual relates to our claims made policy. Contemporaneous with this rule filing, we have also submitted a form filing for occurrence and claims made individual chiropractic malpractice policies. The basis for these filings is to standardize and update our forms and rules so that they are more competitive in the current environment. **As an important note, this filing does not request any changes in our rate structure.** The only changes requested relate to our current discount programs and those changes are outlined below. **In all other respects, the rate and rule manual is substantively the same as the manual that is currently approved by your department.** The changes are as follows:

1. The policy period has been changed to allow for a one, two or three year policy term. We will allow a three, six or nine percent discount respectively if the premium is paid in full up front on those policy respective terms. In other words, if a policyholder pays the entire annual premium on a one-year policy up front, the policyholder is entitled to a 3% discount. If the policyholder pays the entire two-year premium up front, the policyholder is entitled to a 6% discount. If the policyholder pays the entire three-year premium up front, the policyholder is entitled to a 9% discount. If a policyholder cancels the one, two or three year term policy, he/she will be entitled to a refund of the unearned premium, pro rata share.
2. We have added another class of part-time chiropractors so that chiropractors who work twenty or less hours per week in patient care are entitled to a 50% discount of the base

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premium; and chiropractors who work 10 or less hours per week in patient care are charged 25% of the base premium.

3. **Neither the increased limits factors nor the base premium have changed.**
4. We have changed the new graduate discount structure so that we are now allowing a four-year program for new graduate discounts. Based upon our new graduate experience, we have determined that a first-year licensee should be entitled to a 75% discount of the base premium; a second-year licensee should be entitled to a 40% discount; a third-year licensee, a 25% discount and a fourth-year licensee, a 15% discount.
5. We have changed our schedule rating program so that it only applies to debits for unusual risk characteristics or claims history. The maximum debit that can be applied would be 25%. This would allow us to debit a policyholder's premium base if the policyholder has adverse claims history or if the policyholder uses high-risk procedures in his/her practice.
6. We have changed the tail coverage rules so that if a policyholder has been with us for at least five years and has reached or past the age of 55, tail coverage on a claims made policy will be provided to the policyholder free of charge. Also, if a policyholder has been insured under the claims made policy for at least ten (10) years continuously, if the policy terminates for any reason except non-payment of premium, the tail coverage will be free of charge.
7. We will now provide a 3-20% claims free discount for doctors who have been insured with us for a certain number of years and are claims free. The definition for claims free has not changed; however, the range of the discount has increased. In other words, if a doctor has been insured with us claims free for 10 years, he/she will get a 10% discount. If they have been claims free for 20 or more full years, they will get a maximum of 20% discount.
8. We have added a maximum discounts available program so that at no point in time, can a policyholder receive more than 35% in discounts off of the premium that they are paying. The maximum of 35% will decrease if the policyholder is receiving any other "premium discounts" off of the base premium. I have provided an example in that section of the manual.
9. Most of the endorsements that had previously been added onto the policy have now been included in the general policy coverage form. Most of those endorsements were non-premium-bearing endorsements. We have added a new endorsement entitled the "Private Practice Endorsement". This will allow a chiropractor who is insured as an employee under an NCMIC group policy to purchase coverage if he/she has a private practice outside the scope of his/her covered employment.
10. We have also added the Specialty, Procedure, Technique Exclusion Endorsements which allow us to exclude certain specialties, procedures or techniques that create a higher risk.

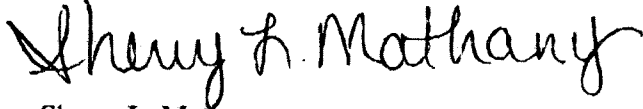
In all other respects, the rule manual is consistent with the rule manual that is currently approved by your department. The revised discount structure as outlined above simply allows our policy and discount structure to be more competitive in the current marketplace. We look forward to your approval of this filing.

JAN 1 - 2000

SPRINGFIELD, ILLINOIS

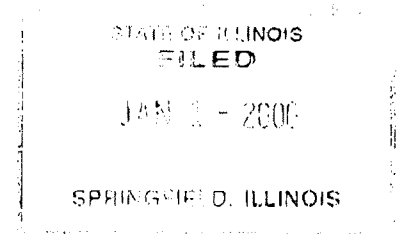
I would be happy to answer any questions or concerns that you may have. Please feel free to contact me at 1-800-321-7015, ext. 2190.

Sincerely,



Sherry L. Mathany
Compliance and Product Development Analyst

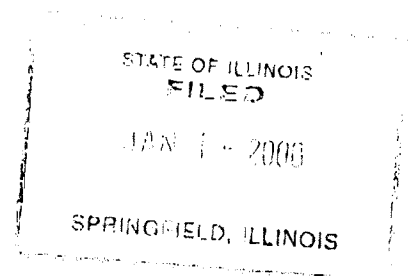
Enclosures



Illinois Claims Made and Occurrence Chiropractic Professional Liability Manual

For

NCMIC Insurance Company



Section I – General Information Applying to Both Claims Made and Occurrence Policies

Policies

NCMIC markets two types of policies identified below:

1. Claims Made (Form CM2000 4/99)
2. Occurrence (Form MP2000 4/99)

Policyholders

NCMIC has two types of policyholders. The two types of policyholders are listed below:

1. Individual chiropractor (DC)
2. Corporations/Partnerships

Policy Period

The policy period shall be for a one-year term, two-year term or three-year term.

Minimum Premium

NCMIC does not have a minimum premium requirement.

Waiver of Additional Premiums

Additional premiums for endorsements effective subsequent to the inception date of the policy will be waived up to \$10.00.

Whole Dollar Premium Rounding Rule

All premiums are rounded to the nearest whole dollar.

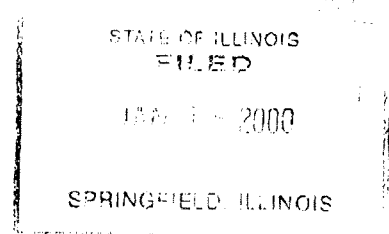
Territorial Definitions

The location of the practice determines the territory. If more than one location of practice exists, rate in the territory where doctor has at least 60% of his/her practice. If the doctor does not have 60% of his/her practice in a single territory, then rate in the territory in which the doctor has the greatest percentage of his practice. If multiple territories have the greatest percentage of practice, then rate in the lower rated territory. If multiple territories have equal percentage of practice, then rate in the lower rated territory.

Premium Payment Options

Annual payment option – Full premium payment required.

Semi-Annual payment option – 50% of premium payment required along with \$5.00 installment fee.



Quarterly payment option – 25% of premium payment required along with \$5.00 installment fee.

Monthly payment option through premium finance – 15% of premium payment required

Renewals

A policy may be continued for successive terms upon payment of the required premium to the company on or before the inception date of each successive term. The continuation premium shall be based upon the premium in effect on renewal date. The applicable forms and endorsements must be made a part of the policy. Additional premiums for policy changes occurring during the current policy term, shall be computed pro rata of the annual premium.

Cancellation

A policy may be canceled by the insured by mailing to the Company written notice stating when thereafter such cancellation shall be effective. This policy will remain in full force and effect until its regular anniversary unless the policy is canceled sooner by the Company or the insured.

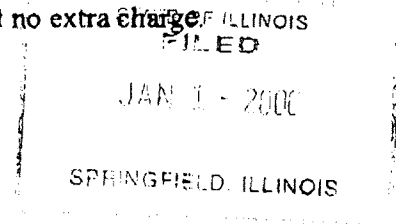
Premium Refund

If a policy cancels for any reason during the policy term, the insured will receive a pro-rata refund.

If an insured switches from our occurrence policy to our claims made policy, we will refund their premium pro-rata.

Eligibility

1. **Part Time Chiropractors** – Licensed chiropractors meeting current underwriting standards are eligible to apply for part time discounted premium as provided below:
 - a. 20 or less hours per week in patient care – 50% of base premium
 - b. 10 or less hours per week in patient care – 25% of base premium
2. **Full Time Chiropractors** – Coverage may be written on a full time basis subject to current underwriting standards.
3. **Chiropractic Assistant** – Non-licensed Chiropractic Assistants working for a primary chiropractor are insured under the chiropractor's policy at no extra charge.



Section II – Underwriting Criteria

The following underwriting criteria are to be considered in the selection of our insureds:

1. Fully and permanently licensed in the state(s) of practice.
2. Criminal record.
3. Prior claims history:
 - a. Severity of claim
 - b. Indemnity paid
 - c. Date of claim
4. Any possible current claims and/or incidents
5. Declined, canceled or refused renewal for coverage
6. Revocation, suspension or probation of license

Section III – Premium Development

A. FORMULAS FOR CLAIMS MADE PREMIUM DEVELOPMENT

Listed below are the formulas used to determine a chiropractor's claims made policy premium.

STEP 1 – Calculate Base Premium

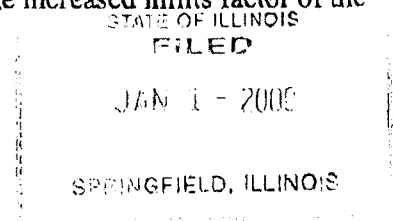
Base Rate

Base rate is our 100/300 limit of liability. The charges are: Territory 1 - \$1966.00
Territory 2 - \$2185.00
Territory 3 - \$1923.00

Base Premium Developed

Base Rate x ILF = Base Premium

Base premium is determined by multiplying the base rate by the increased limits factor of the appropriate limit of liability chosen.



ILFs (Increased Limits Factors)

200/600	1.30
250/750	1.310
500/1000	1.360
1000/3000	1.488
2000/4000	2.096

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

STEP 2 – Calculate 1st yr., 2nd yr., 3rd yr., 4th yr. or Mature Claims Made Base Premium

Base premium x (1-4 yr. or mature) retro factor = (1-4 yr. or mature) claims made base premium

Claims Made Premium Developed

The (1-4 yr. or mature) claims made premiums are then calculated by multiplying the base premium by the appropriate years (1-4 yr. or mature) retro factor. The retroactive date is the date of reference used to determine which retro factor is to apply. The following rules will apply:

Definition Retroactive Date – Date on a claims made liability policy which triggers the beginning period of insurance coverage. If the chiropractor is purchasing insurance for the first time, the retroactive date will be the effective date. Any claim made during the policy period will not be covered if the injury occurred before the retroactive date.

Eligibility for 1st year claims made rate – When a policy is written where the retroactive date and effective date are the same, we will multiply the first year claims made retro factor by the base premium.

Eligibility for 2nd year claims made rate – When a policy is written during the first calendar year after the retroactive date we will multiply the second year claims made retro factor by the base premium.

Eligibility for 3rd year claims made rate – When a policy is written during the second calendar year after the retroactive date, we will multiply the third year claims made retro factor by the base premium.

Eligibility for 4th year claims made rate – When a policy is written during the third calendar year after the retroactive date, we will multiply the fourth year claims made retro factor by the base premium.

Eligibility for Mature claims made rate – When a policy is written during the fourth calendar year after the retroactive date or anytime thereafter, we will use the mature claims made rate. The retro factor is 1.00.

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Claims Made Rate Retro Factors

<u>Maturity</u>	<u>Retro Factors</u>
1	0.350
2	0.655
3	0.900
4	0.975
Mature	1.000

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

STEP 3 – Calculate 1st yr., 2nd yr., 3rd yr., 4th yr. or Mature Claims Made Discounted Premium

Formula for Discounted Premium (Premium when any discounts apply)

(1-4 yr. or mature) claims made discounted premium = (1-4 yr. or mature) claims made base premium x discount factor(s)

The following discounts are to be pro-rated if added mid-term.

Discount factors

Part-time	0.50 (if working 20 hours a week or less)
	0.25 (if working 10 hours a week or less)
Semi-retired	0.50
Disabled	0.50
Faculty	0.50
1 st Year Licensure	0.25
2 nd Year Licensure	0.60
3 rd Year Licensure	0.75
4 th Year Licensure	0.85

Endorsement Premium Development

Endorsement premium = (1-4 yr. or mature) claims made base premium x endorsement factor(s)

Endorsements added mid-term are to be pro-rated.

Corporation Coverage Premium Developed

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Corporation coverage premium = (1-4 yr. or mature) claims made base premium x corporation coverage factor(s)

Corporation factors

Corporation with separate limits	.20
Vicarious Liability Licensed Health Care Provider Shared Limits Endorsement	.20
Vicarious Liability Licensed Health Care Provider Separate Limits Endorsement	.50

Corporations added mid-term are to be pro-rated

Claims Made Coverage With Endorsements

Formula: (1-4 yr. or mature) claims made base premium + endorsement premium

Claims Made Coverage With Corporation

Formula: (1-4 yr. or mature) claims made base premium + corporation coverage premium

Claims Made Coverage with Endorsements and Corporation Coverage

Formula: (1-4 yr. or mature) claims made base premium + endorsement premium + corporation coverage premium

Claims Made Discounted Premium with Endorsements

Formula: (1-4 yr. or mature) claims made discounted premium + endorsement premium

Claims Made Discounted premium with Corporation Coverage

Formula: (1-4 yr. or mature) claims made discounted premium + corporation coverage premium

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

B. FORMULAS FOR OCCURRENCE PREMIUM DEVELOPMENT

BASE RATE

Base rate is our 100/300 limit of liability. The charges are: Territory 1 - \$2048.00
Territory 2 - \$2276.00
Territory 3 - \$2003.00

BASE PREMIUM DEVELOPED

Base Rate x ILF = Base premium

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Base premium is determined by multiplying the base rate by the increased limits factor of the appropriate limit of liability chosen.

ILF's (Increased limits factors)

200/600	1.30
250/750	1.310
500/1000	1.360
1000/3000	1.488
2000/4000	2.096

Round to the nearest whole dollar. Roundup if .50 or greater. Round down if .49 or lower.

Formula for Discounted Premium (Premium when discounts apply)

Occurrence Discounted Premium = Base premium x discount factor

The following discounts are to be pro-rated if added mid-term.

Discounts factors

Part-Time	0.50 (if working 20 hours a week or less)
	0.25 (if working 10 hours a week or less)
Semi-Retired	0.50
Disabled	0.50
Faculty	0.50
1 st Year Licensure	0.25
2 nd Year Licensure	0.60
3 rd Year Licensure	0.75
4 th Year Licensure	0.85

Corporation coverage premium developed

Corporation Coverage Premium = Base Premium x corporation coverage factor

Corporation Factors

Corporation with separate limits	.20
Vicarious Liability Licensed Health Care Provider Shared Limits Endorsement	.20
Vicarious Liability Licensed Health Care Provider Separate Limits Endorsement	.50

Corporations added mid-term are to be pro-rated.

Occurrence Discounted Premium with Corporation Coverage

Formula: Occurrence discounted premium + corporation coverage premium

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

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C. SCHEDULE RATING APPLICABLE TO BOTH CLAIMS MADE AND OCCURRENCE COVERAGES

NCMIC Insurance Company may utilize the following schedule of debits to modify the premiums for certain insureds reflecting the unique exposure present in these risks. These insureds qualify for schedule rating because of factors not contemplated in the filed rate structure of the company.

The maximum debit to be applied to recognize risk characteristics that are not reflected in an otherwise applicable rate is 25%. Any debits assigned under this plan are subject to annual review. All premium modifications will be noted and documented in the individual insured's file with any premium credit and/or debit in excess of five (5%) having the approval of the Underwriting Department.

NCMIC Insurance Company will modify premiums giving consideration to the following exposure characteristics and rating characteristics of a risk:

	<u>CREDIT</u>	<u>DEBIT</u>
Unusual risk characteristics	XXXX	0-25%
Claim history debit	XXXX	0-25%

Section IV – Extended Reporting Coverages For Claims Made Coverage

Basic Reporting Extension

This allows, under a claims made policy, for the reporting of claims arising from a medical incident which occurs on or after the retroactive date and prior to the end of the policy period. The extended reporting coverage is for sixty (60) days after the expiration of the policy. This coverage is provided free of charge.

Extended Reporting Endorsement (Tail Coverage) Form 00-2013 CM 4/99

If a claims made policy is canceled or non-renewed for any reason including non-payment, the named insured may elect to have an endorsement issued providing an extended reporting period upon payment of an additional charge as follows:

Tail factors apply to mature claims made rates

Number of Years
Since Retro Date

Tail Factor (Factor to apply to mature claims made
rate in the year the tail policy is written)

1	0.654
2	0.975
3	1.062
4	1.082

Definition Tail Coverage – This term has been used to describe the exposure that exists between the retroactive date and expiration date of the policy and the coverage that may be purchased to cover that exposure. On “claims made” forms, tail coverage may be purchased to extend the period for reporting covered claims beyond the policy period.

Extended Reporting Endorsement (Tail Coverage)

Tail Coverage Rules:

1. Purchase of tail coverage must be within sixty (60) days after the cancellation or expiration of the insured’s NCMIC claims made policy.

Example:

Policy expires 6-1-95. The extended reporting endorsement (tail coverage) must be purchased by 7-30-95.

2. The extended reporting endorsement (tail coverage) will never be written to be effective before the insured’s most recent NCMIC claims made policy retroactive date.

Example:

The insured’s claims made policy retroactive date is 7-1-94 and expiration date is 10-1-94. The extended reporting endorsement (tail coverage) charged at the first year tail coverage rate would be written to cover the time period from 7-1-94 to 10-1-94.

3. The extended reporting endorsement (tail coverage) will be pro-rated for partial years.

Example:

An insured has a malpractice insurance policy with us issued with a \$1,000,000/\$3,000,000 limit of liability. The insured has a retroactive date of 1-1-97 and the insurance policy is canceled with us on 3-28-98. The charge for the insured’s tail coverage premium has been computed below.

- a. You first must determine how many days between the retroactive date and the cancellation effective date.
- b. Determine the MATURE claims made base premium for the policy limits the chiropractor is requesting to purchase.

The calculation is as follows:

Base rate \$1,788 x (Increased limits factor) 1.75 = mature claims made base premium
\$3,129.00.

- c. Determine how many years, or days, the retroactive date is from the policy termination (cancellation or expiration) date.

Retroactive date 1-1-97 to full year policy renewal date of 1-1-98.

1 or 2 or 3 or 4+ years

Mature claims made base premium		\$3,129
Tail factor for 1 year	x	0.654
Extended Reporting Period Premium 1 yr.	=	\$2,046.00

d. Count the remaining number of days left until the policy termination date.

1-1-98 to 3-28-98 is 87 days.

e. Pro-rate the remaining number of days to the policy cancellation date.

Partial year rates will be interpolated using the actual number of days covered on a claims made basis.

The calculation requires first determining the premium for two full year of tail coverage.

Mature claims made base premium		\$3,129
Tail factor for 2 years	x	0.975
Extended Reporting Period Premium 2 yrs.	=	\$3,051.00

Calculation:

Extended Reporting Period Premium 2 yrs. (\$3,051.00) - Extended Reporting Period Premium 1 yr. (\$2,046.00) = \$1,005.00

Number of days	87	
Number of days in year	365	x \$1,005.00 = \$240.00

f. Calculate:

Extended Reporting Period Premium 1 yr. \$2,046.00 + \$240.00 = \$2,286.00

- Please refer to discounts for extended reporting endorsements (tail coverage).
- Tail coverage is priced at the rules and rates in effect as of the most recent effective date of the policy to which the extended reporting period endorsement is attached.
- After five (5) years of continuous coverage under the claims made policy, the tail coverage is free of charge if a doctor dies, becomes permanently disabled or retires from practice and is at least 55 years old.

7. After ten (10) years of continuous coverage under the claims made policy, if the policy terminates for any reason, except non-payment of premium, the tail coverage will be free of charge.

Section V – Discounts (Available for both claims made and occurrence policies)

New Practitioner Discounts Available:

License Date: NCMIC uses the license date as the reference date to be eligible for discounts. The license date is defined as the first date the chiropractor is eligible to practice chiropractic. We only use one date as the license date to reference discounts. The license date used to reference discounts is the first time a chiropractor ever becomes licensed to practice.

1. First Year Licensure Discount

Chiropractors who become licensed and are eligible to practice chiropractic for the first time shall be given a first year licensure discount of 75% of the filed and approved base premium. The insured's first licensure date must fall within 18 months of the insured's graduation date. This discount applies only to the first year of coverage with NCMIC.

2. Second Year Licensure Discount

Chiropractors in their second year of practice after becoming licensed for the first time shall be given a second year licensure discount of 40% of the filed and approved base premium. The insured's first licensure date must fall within 30 months of the insured's graduation date. This discount applies only to the second year of coverage with NCMIC.

3. Third Year Licensure Discount

Chiropractors in their third year of practice after becoming licensed for the first time shall be given a third year licensure discount of 25% of the filed and approved base premium. The insured's first licensure date must fall within 42 months of the insured's graduation date. This discount applies only to the third year of coverage with NCMIC.

4. Fourth Year Licensure Discount

Chiropractors in their fourth year of practice after becoming licensed for the first time shall be given a fourth year licensure discount of 15% of the filed and approved base premium. The insured's first licensure date must fall within 54 months of the insured's graduation date. This discount applies only to the fourth year of coverage with NCMIC.

Part – Time Discount

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There are two part-time discounts available. A chiropractor practicing less than 20 hours per week is eligible for a 50% discount of the approved base premium. A chiropractor practicing less than 10 hours per week is eligible for a 75% discount of the approved base premium. The chiropractor must complete an application for part-time discount.

Semi – Retired Discount

A chiropractor must be 55 years of age practicing less than 20 hours per week to become eligible for this discount. The discount is 50% of the approved base premium.

Faculty Discount

A chiropractor must work 20 hours or more at a chiropractic college and practice less than 20 hours per week to become eligible for this discount. The discount is 50% of the approved base premium.

Disabled Discount

A chiropractor must submit a physician's statement and practice less than 20 hours per week to become eligible for this discount. The discount is 50% of the approved base premium.

Chiropractors who become permanently disabled so that they can no longer practice as a chiropractor will receive tail coverage free of charge upon written request as long as the doctor has been insured with NCMIC for at least 5 years.

Discounts for Extended Reporting Endorsements on Claims Made Coverage

We shall provide an extended reporting endorsement (tail coverage) automatically in the case of retirement if an insured has been continuously covered under a claims made policy with NCMIC for at least five (5) years and if the insured has reached or passed the age of 55. The endorsement is free of charge and dates back to the current NCMIC claims made policy retroactive date.

We shall provide extended reporting endorsement (tail coverage) automatically to an NCMIC insured or their estate upon the death of the insured. The endorsement is free of charge and dates back to the current NCMIC claims made policy retroactive date.

Claims Free Discount

We offer a 3% - 20% discount to chiropractors for their excellent claims free experience. The whole policy (all risks, corporations included) must be claims free to get the discount. The definition of claims free is \$0 dollars indemnity and \$15,000 or less LAE payments cumulative for the time period under review. The claims free discounts are to apply to the individual's total policy premium.

The number of years insured with NCMIC without a claim will determine the discount. Please see below.

Number of years insured with NCMIC without a claim

Percentage discount (to apply to individuals total policy premium)

Three full years with NCMIC claims free	3%
Four full years with NCMIC claims free	4%
Five full years with NCMIC claims free	5%
Six full years with NCMIC claims free	6%
Seven full years with NCMIC claims free	7%
Eight full years with NCMIC claims free	8%
Nine full years with NCMIC claims free	9%
Ten full years with NCMIC claims free	10%
Eleven full years with NCMIC claims free	11%
Twelve full years with NCMIC claims free	12%
Thirteen full years with NCMIC claims free	13%
Fourteen full years with NCMIC claims free	14%
Fifteen full years with NCMIC claims free	15%
Sixteen full years with NCMIC claims free	16%
Seventeen full years with NCMIC claims free	17%
Eighteen full years with NCMIC claims free	18%
Nineteen full years with NCMIC claims free	19%
Twenty or more full years with NCMIC claims free	20%

*Up to five (5) years of continuous claims free experience with another carrier will qualify for the NCMIC claims free discount.

Risk Management Discount

We offer risk management discounts for insureds who complete NCMIC Board certified programs. The risk management discount will only be applied to the doctors base premium. The maximum total risk management discount available per policy period is 15%. The discount will only be applied on the insured's renewal premium.

Premium Payment Discount

If an insured pays the premium on an annual basis with no installment payment, a 3% discount to the annual premium will apply.

If an insured selects to pay two full years' annual premiums up front, a 6% discount on the total premium will apply.

If an insured selects to pay three full years' annual premiums up front, a 9% discount on the total premium will apply.

Maximum Discounts Available

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The maximum risk management and claims free discounts that can be obtained are 35%. However, the maximum risk management and claims free discounts available for any insured who is also receiving a premium discount will be the actual risk management and claims free discounts (up to 35%) multiplied by percentage of discounted premium paid by the policyholder.

Example: Assume the full-time base rate is \$1,500 and a doctor is receiving a faculty discount of 50%. Also assume the doctor is eligible for a 20% claims free discount and a 15% risk management discount. In this example, the maximum risk management and claims free discount this doctor is entitled to is 17.5%. Premium to be paid is calculated as follows:

$\$1,500 \times .50 =$	\$750 (faculty base premium)
$(20\% + 15\%) \times .50 =$	17.5% (total discounts allowed)
$\$750 \times 17.5\% =$	131.25 (discount amount)
$\$750 - 131.25 =$	\$618.75 (premium to be paid)

Section VI – Coverage Options (Available for both claims made and occurrence policy)

MUA Coverage Form (00-2007 4/99)

This endorsement provides coverage for manipulation or treatment, including adjustment, while a person is under anesthesia or sedation. The chiropractor must complete an application for manipulation under anesthesia. If the application is approved, an endorsement is added to the insured's policy. There is no charge for this coverage.

Professional Partnership, Association or Corporation Form (00-2000 4/99)

This endorsement provides a separate limit of liability for the insured chiropractor's partnership, association or corporation. Coverage is provided only to the extent of the entity's liability for the providing of professional services within the scope and course of employment by a person included within the definition of "Person Insured" under the attached policy.

The charge is 20% of the base premium for corporation coverage with separate limits.

Whenever this endorsement is added to an NCMIC claims made policy, the retroactive date on which the coverage is effective will need to be printed on the policy Declarations page.

Vicarious Liability Licensed Health Care Provider Coverage Forms (00-2003 CM 4/99 and 00-2014 CM 4/99 – Separate Limits; 00-2004 MP 4/99 and 00-2015 MP 4/99 – Shared Limits)

This endorsement insures the partnership, association or corporation listed on the Declarations, but only to the extent of its liability for the providing of health care services within the scope and course of employment by a doctor of medicine or osteopathy or other licensed health care provider. The doctor of medicine or osteopathy or other licensed health care provider DOES NOT become insured under the policy.

The charge is 50% of the base premium for coverage under endorsement with separate limits and 20% of the base premium for coverage under endorsement with shared limits.

Whenever endorsement 00-2003 4/99 or endorsement 00-2014 4/99 is added to an NCMIC claims made policy, the retroactive date on which the coverage is to be effective will need to be printed on the policy Declarations page.

Specialty, Procedure, Technique Exclusion Coverage Forms (00-2017 MP 6/99 and 00-2018 CM 6/99)

1. Excludes those procedures, techniques or specialties where a licensed health care provider has had their license revoked, suspended or surrendered or privileges restricted as a result of the performance of these procedures, techniques or specialties.
2. Excludes procedures, techniques or specialties that are experimental.
3. Excludes procedures, techniques or specialties where a health care provider is a high risk and has had poor loss experience.
4. Change in health care provider specialty – Excludes those procedures, techniques or specialties of a higher classification where the health care provider has changed their health care provider classification to a lower classification.

Additional Insured Form (00-2006 4/99)

This optional endorsement provides coverage to any person or entity named on the endorsement for professional liability imputed to the person or entity solely for the professional negligence of an insured under the policy.

Acupuncture Form (00-2012 4/99)

This endorsement will add acupuncture to the list of professional services covered by the policy. Acupuncture coverage is only available in states where the scope of practice for chiropractors includes acupuncture services.

An insured must apply for and be approved by underwriting prior to this endorsement becoming effective.

There is no charge for this endorsement.

Blank Endorsement (00-2002 4/99)

This endorsement may be utilized as a manuscript form to broaden, restrict or clarify coverage issues. The endorsement may also be utilized to clarify adjustments in rating.

Private Practice Endorsement (00-2016 6/99)

This endorsement provides coverage to chiropractors who are otherwise insured under an employer/employee malpractice policy issued by NCMIC. Under the employer policy, the chiropractor is covered only for his/her responsibilities to the employer. This endorsement allows the chiropractic coverage when he/she is practicing outside the employment relationship in a private practice setting. The charge for this endorsement and policy is 25% of the approved base premium if the chiropractor works ten (10) or less hours per week in patient care in the private practice setting;

50% of the approved base premium if the chiropractor works twenty (20) or less hours per week in patient care in the private practice setting; and 75% of the approved base premium if the chiropractor works thirty (30) hours or less per week in patient care in the private practice setting.

Section VII Coverage Options (Available for Occurrence Policy Only)

Prior Acts Endorsement (00-2001 MP 4/99)

This endorsement provides coverage for chiropractors who change from a claims made policy to an occurrence policy and who do not purchase tail coverage. Under this endorsement, injuries which occurred on or after the retroactive date and before the expiration date referenced in the endorsement will be covered.

Extern Endorsement (00-2005 4/99)

This endorsement provides coverage for chiropractic college students who have graduated from chiropractic college, but who have not yet received a license to practice, i.e. externs. The extern must be under the direct supervision of a licensed chiropractor and must be acting within the scope of the applicable laws governing externs. The only limit of liability available for this endorsement is \$100,000/\$300,000. Coverage under this endorsement will terminate when the extern becomes licensed, the program terminates or one year from its effective date, whichever comes first.

Section VIII Mandatory Endorsements

Illinois Exclusions Endorsement Forms (14-2000 7/99 and 14CM-2000 7/99)

These endorsements revise the punitive damages exclusion and the communicable diseases exclusion. It also deletes the exclusion regarding the providing of professional services while under the influence of intoxicants or drugs.

Illinois Cancellation Provision Endorsement Forms (14-2001 7/99 and 14CM-2001 7/99)

These endorsements amend the cancellation and nonrenewal provisions in the policies to bring them into compliance with the State of Illinois.

Illinois Other Insurance Endorsement Forms (14-2002 7/99 and 14CM-2002 7/99)

These endorsements replace the "Other Insurance" section of the policy with information regarding contribution when the insured has other insurance that would apply to the loss.

Illinois Important Notice Endorsement Form (14CM-2003 7/99)

This endorsement applies to the claims-made policy only and revises the "Important Notice" and "Extended Reporting Endorsement" sections of the policy.

**NCMIC INSURANCE COMPANY
CHIROPRACTIC PROFESSIONAL LIABILITY
POLICY FORMS AND RATE MANUAL REVISIONS**

With this filing, NCMIC Insurance Company (NCMIC) is proposing to update its policy forms and rate manual for its chiropractic professional liability program.

Introduction

NCMIC is the leading provider of chiropractic professional liability in the United States with an estimated 50% share of the eligible market. NCMIC has premium writings in all 50 states as well as the District of Columbia, Puerto Rico and the U.S. Virgin Islands. With its large market share and diverse geographic spread, NCMIC is able to closely monitor the broad marketplace for chiropractic professional liability. Moreover, the active involvement from NCMIC's Board of Directors, who are all well respected, practicing chiropractors from across the country further provides NCMIC with a unique insight into the needs of the chiropractic profession as a whole. It is from this knowledge base that NCMIC has decided to update its policy forms (occurrence and claims-made) and rating manual to better serve the needs of the chiropractic profession.

Policy Form Revisions

The impetus for the proposed changes to NCMIC's policy forms (occurrence and claims-made) is to standardize the coverage being provided. That is, currently NCMIC's basic policy provides strictly professional liability coverage and is often amended to also provide professional discipline, peer review and utilization review coverage via policy endorsements.

The current process of having to issue separate policy endorsements is relatively laborious and

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costly. Thus, it is NCMIC's intent to offer a broad scope of practice-based policy form to its insureds, while at the same time economizing the policy issuance process.

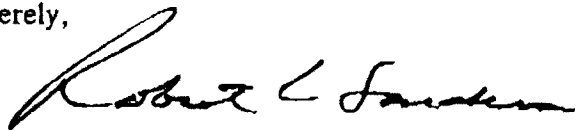
Rate Manual Revisions

The proposed revisions to the rate manual will allow NCMIC greater flexibility and more responsiveness in determining the premium charge for a particular insured. Specifically, the more refined rating approach for new graduates, part-time chiropractors and claims-free chiropractors will allow NCMIC to more appropriately determine the premium charge for an individual insured. Additionally, the revisions to the eligibility requirements for the various rating variables have been updated to reflect the current state of the chiropractic profession.

Expected Overall Premium Impact

The expected overall premium level impact from the policy forms and rate manual revisions is approximately a 9% decrease. Based upon our rate level analysis for NCMIC, we believe this 9% impact will result in NCMIC meeting its target operating results.

Sincerely,

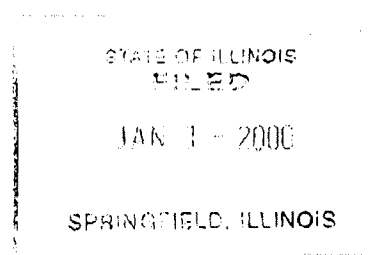


Robert L. Sanders, F.C.A.S., M.A.A.A.
Consulting Actuary

RLS/mlc

July 8, 1999

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Fax



NCMIC Group Inc.

1452 29th Street Suite 102
West Des Moines, Iowa 50266-1307

Date: 6/20/02

Pages including
this cover page: 21

Mailing Address: P.O. Box 9118
Des Moines, Iowa 50306-9118
1-800-247-8043

To: Donna Raffa
Company: Illinois Department of Insurance
Phone: _____ **Ext.** _____
Fax: 217-524-2122

From: A.J. Simpson
Phone: 800-321-7015 **Ext. 2966**
Fax: 515-327-2233

☐ Declaration Page
☐ Application & Rate Sheet

☒ For Review
☐ Please Reply

☐ Other

Comments: Dear Ms Raffa,

Attached is the Base Risk Purchasing Group Rating Manual the

Podiatry relativities are towards the end. If you have any questions please

give me a call at the above number. Thanks

AJ

Products & Services

NCMIC Insurance Company

- ✓ Comprehensive Chiropractic Malpractice Protection
- ✓ "A-" (Excellent) A.M. Best/"A+" Standard & Poor's Rating
- ✓ Nationwide Network of Attorneys
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NCMIC Insurance Co.

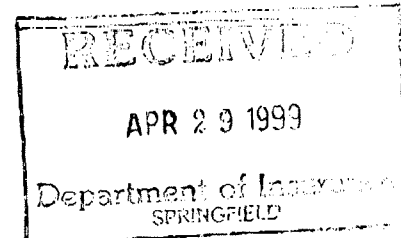
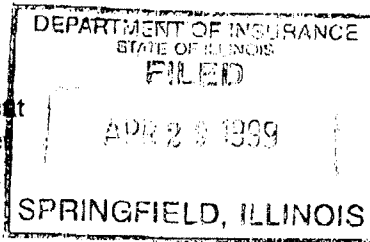
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April 28, 1999

Mr. John Gatlin
Insurance Analyst
P & C Compliance Unit
Illinois Insurance Department
320 West Washington Street
Springfield, IL 62767-0001



VIA OVERNIGHT MAIL

RE: NCMIC Insurance Company
NAIC #000-15865
Professional Liability (Malpractice for health care providers)
Amendment to Previously Approved Rate Filing
Proposed Effective Date: Upon approval from your department
FEIN #42-0635534
Our Filing: ILPG 2
Blue Creek Diversified Health RPG and Blue Creek Alternative Health RPG

Received
5/4/99

Dear Mr. Gatlin:

Your department recently approved the rate filing for Blue Creek Diversified Health RPG and Blue Creek Alternative Health RPG.

Since that time NCMIC Insurance Company had identified a need to file rates for three additional types of health care providers. Milliman & Robertson, Inc., our outside consulting actuaries, conducted additional studies of leading insurance carriers and then made recommendations to us on the rates to charge dentists, podiatrists, opticians and optometrists. We have reviewed these rates and they do not significantly alter our initial projections for this proposed filing.

Our actuaries have developed five separate rating classes for dentists and oral surgeons. In addition, they have expressed the relativities as a function of the Family Practice – No Surgery (ISO Code 80420) professional liability rate. I am enclosing for your review a copy of our previously approved rating manual and Exhibit 1 – Dentists' Professional Liability Classification Plan which we are filing as an amendment to the rating manual.

Our actuaries have also developed the Allied Physicians' Professional Liability Classification Plan. This plan includes two rating classes for podiatrists – one for no surgery and one that includes surgery,

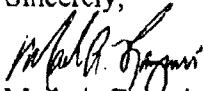
Mailing Address: P.O.Box 9118 • Des Moines • IA • 50306-9118 • Claims Reporting Line: 800.242.4052

Mr. John Gatlin
April 28, 1999
Page Two

one rating class for opticians and one rating class for optometrists. The relativities are once again expressed as a function of the Family Practice – No Surgery rate. Please see Exhibit 2 - Allied Physicians' Professional Liability Classification Plan enclosed which is also being filed as an amendment to the rating manual.

We are hopeful that you will approve this amendment to our rating plan as soon as possible. I would be happy to answer any other questions that you may have regarding this matter. Please do not hesitate to contact me directly at 1-800-321-7015, ext. 2927.

Sincerely,



Mark A. Raynie
Product Development & Compliance
Coordinator

Enclosures

BLUE CREEK DIVERSIFIED HEALTH PURCHASING GROUP AND BLUE CREEK ALTERNATIVE HEALTH PURCHASING GROUP RATING PLAN

Classification Guidelines – Each health care professional shall be assigned a classification based on his/her specialty. If the company and the insured disagree as to the appropriate rate classification, additional information may be required. Blue Creek Diversified Health Purchasing Group will establish a sub committee to offer technical advice on these issues.

Illinois MD/DO Occurrence Base Rate: \$6,200

Illinois MD/DO Claims Made Base Rate: \$5,952

Class Factors: The applicable class is determined by the type of practice and procedures described in the application. Refer to the class plan listing.

MD/DO Class 1AA - Consultative and Administrative Medicine

Class	Class Factor
1AA	0.60

MD/DO Increase limit factors: The applicable limit factor is determined by the chosen limit option on the application.

Limits of Liability	Increase Limit Factors
\$100,000/\$300,000	1.00
\$200,000/\$600,000	1.30
\$250,000/\$750,000	1.31
\$500,000/\$1,000,000	1.36
\$1,000,000/\$3,000,000	1.488
\$2,000,000/\$4,000,000	2.096

MD/DO Claims-Made Step Factors:

Year	Claims-Made Step Factor
1	0.35
2	0.66
3	0.90
4	0.98
Mature	1.00

MD/DO Reporting Endorsement Factors (Applied to mature claims made base premium):

Year	Reporting Endorsement factors
1	0.92
2	1.43
3	1.70
4+	1.87

MD/DO Prior Acts Factors (Applied to occurrence base premium):

Year	Prior Acts factors
1	0.883
2	1.373
3	1.632
4+	1.795

<u>Chiropractic Occurrence base rate (Territory 1):</u>	\$2,048
<u>Chiropractic Claims Made base rate (Territory 1):</u>	\$1,966
<u>Chiropractic Occurrence base rate (Territory 2):</u>	\$2,003
<u>Chiropractic Claims Made base rate (Territory 2):</u>	\$1,922

Chiropractic Increase limit factors: The applicable limit factor is determined by the chosen limit option on the application.

Limits of Liability	Increase Limit Factors
\$100,000/\$300,000	1.00
\$200,000/\$600,000	1.30
\$250,000/\$750,000	1.31
\$500,000/\$1,000,000	1.36
\$1,000,000/\$3,000,000	1.488
\$2,000,000/\$4,000,000	2.096

Chiropractic Claims-Made Step Factors:

Year	Claims Made Step factors
1	0.35
2	0.66
3	0.90
4	0.98
Mature	1.00

Chiropractic Reporting Endorsement Factors (Applied to mature claims made base premium):

Year	Reporting Endorsement factors
1	0.7194
2	1.0725
3	1.1682
4+	1.1902

Chiropractic Prior Acts Factors (Applied to occurrence base premium):

Year	Prior Acts Factors
1	0.6906
2	1.0296
3	1.1214
4+	1.1426

REGISTERED NURSES OCCURRENCE BASE RATES

RN Class 1: \$7,595.00

RN Class 2: \$3,100.00

RN Class 3: \$830.00

RN Class 4: \$68.00

REGISTERED NURSES CLAIMS MADE BASE RATES

RN Class 1: \$7,291.00

RN Class 2: \$2,976.00

RN Class 3: \$797.00

RN Class 4: \$65.00

Class 1 -	Nurse Midwife
Class 2 -	Nurse Anesthetist
Class 3 -	Nurse Practitioner
Class 4 -	General Staff Nurse

Registered Nurses Increased limits factors: The applicable limit factor is determined by the chosen limit option on the application

Limits of Liability	Increase Limit Factors
\$100,000/\$300,000	1.00
\$200,000/\$600,000	1.30
\$250,000/\$750,000	1.31
\$500,000/\$1,000,000	1.36
\$1,000,000/\$3,000,000	1.488
\$2,000,000/\$4,000,000	2.096

Registered Nurse Claims-Made Step Factors:

Year	Claims Made step factors
1	0.35
2	0.66
3	0.90
4	0.98
Mature	1.00

Registered Nurse Reporting Endorsement Factors (Applied to mature claims made base premium):

Year	Reporting Endorsement factors
1	0.7194
2	1.0725
3	1.1682
4+	1.1902

Registered Nurse Prior Acts Factors (Applied to occurrence base premium):

Year	Prior Acts Factors
1	0.6906
2	1.0296
3	1.1214
4+	1.1426

PHYSICAL THERAPISTS OCCURRENCE BASE RATES

PT Class 1 Base Rate: \$207.00

PT Class 2 Base Rate: \$103.00

PT Class 3 Base Rate: \$77.00

PHYSICAL THERAPISTS CLAIMS MADE BASE RATES

PT Class 1 Base Rate: \$198.00

PT Class 2 Base Rate: \$98.00

PT Class 3 Base Rate: \$73.00

Class 1 - Physical Therapist-Owner

Class 2 - Physical Therapist-Employee

Class 3 - Physical Therapist-Aide

OCCUPATIONAL THERAPISTS OCCURRENCE BASE RATES

OT Class 4 Base Rate: \$258.00

OT Class 5 Base Rate: \$103.00

OT Class 5 Base Rate: \$77.00

OCCUPATIONAL THERAPISTS CLAIMS MADE BASE RATES

OT Class 4 Base Rate: \$247.00

OT Class 5 Base Rate: \$98.00

OT Class 6 Base Rate: \$73.00

Class 4 - Occupational Therapist-Owner

Class 5 - Occupational Therapist-Employee

Class 6 - Occupational Therapist-Assistant

Physical Therapists/Occupational Therapists Increased limits factors: The applicable limit factor is determined by the chosen limit option on the application

Limits of Liability	Increase Limit Factors
\$100,000/\$300,000	1.00
\$200,000/\$600,000	1.30
\$250,000/\$750,000	1.31
\$500,000/\$1,000,000	1.36
\$1,000,000/\$3,000,000	1.488
\$2,000,000/\$4,000,000	2.096

Physical Therapist/Occupational Therapist Claims-Made Step Factors:

Year	Claims made step factors
1	0.35
2	0.66
3	0.90
4	0.98
Mature	1.00

Physical Therapist/Occupational Therapist Reporting Endorsement Factors
(Applied to mature claims made base premium):

Year	Reporting Endorsement factors
1	0.7194
2	1.0725
3	1.1682
4+	1.1902

Physical Therapist/Occupational Therapist Prior Acts Factors (Applied to occurrence base premium):

Year	Prior Acts Factors
1	0.6906
2	1.0296
3	1.1214
4+	1.1426

ACUPUNCTURIST OCCURRENCE BASE RATES

Acupuncturist Class Base Rate: \$923.00

ACUPUNCTURIST CLAIMS MADE BASE RATES

Acupuncturist Base Rate: \$886.00

Acupuncturist Increased limits factors: The applicable limit factor is determined by the chosen limit option on the application

Limits of Liability	Increase Limit Factors
\$100,000/\$300,000	1.00
\$200,000/\$600,000	1.30
\$250,000/\$750,000	1.31
\$500,000/\$1,000,000	1.36
\$1,000,000/\$3,000,000	1.488
\$2,000,000/\$4,000,000	2.096

Acupuncturist Claims-Made Step Factors:

Year	Claims made step factors
1	0.35
2	0.66
3	0.90
4	0.98
Mature	1.00

Acupuncturist Reporting Endorsement Factors (Applied to mature claims made base premium):

Year	Reporting Endorsement factors
1	0.7194
2	1.0725
3	1.1682
4+	1.1902

Acupuncturist Prior Acts Factors (Applied to occurrence base premium):

Year	Prior Acts Factors
1	0.6906
2	1.0296
3	1.1214
4+	1.1426

MASSAGE THERAPISTS OCCURRENCE BASE RATES

Massage Therapist Class Base Rate: \$29.00

MASSAGE THERAPISTS CLAIMS MADE BASE RATES

Massage Therapist Base Rate: \$28.00

Massage Therapists Increased limits factors: The applicable limit factor is determined by the chosen limit option on the application

Limits of Liability	Increase Limit Factors
\$100,000/\$300,000	1.00
\$200,000/\$600,000	1.30
\$250,000/\$750,000	1.31
\$500,000/\$1,000,000	1.36
\$1,000,000/\$3,000,000	1.488
\$2,000,000/\$4,000,000	2.096

Massage Therapists Claims-Made Step Factors:

Year	Claims made step factors
1	0.35
2	0.66
3	0.90
4	0.98
Mature	1.00

Massage Therapists Reporting Endorsement Factors (Applied to mature claims made base premium):

Year	Reporting Endorsement factors
1	0.7194
2	1.0725
3	1.1682
4+	1.1902

Massage Therapists Prior Acts Factors (Applied to occurrence base premium):

Year	Prior Acts Factors
1	0.6906
2	1.0296
3	1.1214
4+	1.1426

Health Care Provider Organizations/Corporations— The charge will be A flat fee amount of \$250.00.

Year	Reporting Endorsement factors
1	0.7194
2	1.0725
3	1.1682
4+	1.1902

Claims Made Rating Rules:

If the retroactive date does not coincide with the policy date, the applicable claims-made factor will be found in the column corresponding to the nearest number of years in claims-made, as defined in the chart below. Use the number of days between the retroactive date and the coverage effective date to determine the category.

YEARS IN CLAIMS - MADE CATEGORY	1	2	3	4	5
NUMBER OF DAYS	0-182	183-547	548-912	913-1277	1278&UP

NOTE: Do not count February 29th when determining the number of days.

Example 1: If the retroactive date is 9/1/92 and the policy period is 11/15/95 to 11/15/96, the retroactive date precedes the coverage effective date by 3 years and 2 ½ months or 1170 days. Since 1170 is between 913 and 1277, the factor used will be that for Category 4.

Example 2: If the policy period is 1/1/95 to 1/1/96 and an individual is added effective 9/17/95 with a retroactive date of 9/17/95, the retroactive date precedes the coverage effective date by 0 days. Use Category 1.

Extended Reporting Endorsement Credit Schedule for individual health care professionals that leave the group, the following credit schedule applies:

Consecutive Years of Coverage	Credit
10	100%
9	90%
8	80%
7	70%
6	60%
5	50%
4	40%
3	30%
2	20%
1	10%

Discounts Available:

Work load Discount

A health care professional insured must practice less than 30 hours per week (paperwork included) to become eligible for this discount. The health care professional must complete an application for the administrative discount. If the application is approved, the discount charged the insured is 25% of the approved occurrence or claims made base premium.

Part - Time Discount

A health care professional insured must practice less than 20 hours per week (paperwork included) to become eligible for this discount. The health care professional must complete an application for part time discount. If the application is approved, the discount charged the insured is 50% of the approved occurrence or claims-made base premium.

Administrative Discount--

A health care professional insured must practice less than 10 hours per week (paperwork included) to become eligible for this discount. The health care professional must complete an application for the administrative discount. If the application is approved, the discount charged the insured is 75% of the approved occurrence or claims made base premium.

Health Care Provider Organizations/Corporations –

Health care provider organizations/corporations are increasingly subjecting their health care provider employees to many of the following controls:

- Credentialing and peer review
- Commitment to loss control and risk management
- Quality and benchmarking indicators
- Practice parameters
- Open or closed specialists panels
- Patient feedback mechanisms
- Underwriting and/or claim committees

Health care provider organizations/corporations which work with NCMIC Insurance Company to control exposure to loss may be eligible for a rate credit or debit of up to 50%.

The specific criteria that will be reviewed by NCMIC in applying credits and debits to modify the organizations/corporations premium are outlined below. The maximum credit or debit applied to any one insured will be 50%.

	<u>Credits</u>	<u>Debits</u>
1. Prior Claims (Type/Frequency/Severity) Claims free discount	0-50%	0-50%
2. Practitioners scope of practice	0-50%	0-50%
3. Practice location	0-50%	0-50%
4. Employment relationship (type of patients seen)	0-50%	0-50%
5. Credentialing criteria used	0-50%	xxxxx
6. Risk management procedures or protocols for the group	0-50%	xxxxx
7. Size of group	0-50%	xxxxx

Utilization Review Coverage

There is no additional charge for this endorsement. Our liability for damages could be exhausted by the payment of claims expenses, which include legal fees, because the limits under the endorsement are separate from the limit under the policy. Our policy excludes utilization review coverage and therefore does not provide payment for legal fees, etc. covered under the endorsement. Coverage is provided for rendering an opinion on the adequacy, necessity or reasonableness of care furnished by another health care professional based on a review of the patient's records without a physical examination.

The health care professional must complete an application for utilization review. Who the health care professional provides the utilization review coverage for is also a criterion.

Professional Discipline Coverage

We will defend the initial action by the State Licensing Board to suspend, revoke or discipline the health care professional. However, our obligation shall be limited to payment of the reasonable legal fees and expenses of a lawyer, not to exceed \$5,000 Per Action/ \$20,000 Per Policy Period. This endorsement will not apply to legal fees and expenses for an appeal made by the chiropractor after the State Licensing Board has rendered a final decision. The health care professional must complete an application for professional discipline. If the application is approved, an endorsement is added to the insured's policy and a \$250.00 flat fee is added to the insured's billing.

Professional Partnership, Corporation, or Association Vicarious Liability Coverage

We will pay on behalf of the **certificateholder** identified on endorsements (6CM, 6MP, 7CM, 7MP) all sums for which this insurance applies and which the **certificateholder** becomes legally obligated to pay as **damages** because of an **injury** caused by an accident arising from a **medical incident**. The accident must be caused by a health care professional acting within the scope of their employment by the **certificateholder**.

We are going to charge 50% of the base premium for coverage under endorsement (6CM, 6MP) with separate limits and charge 20% of the base premium for coverage under endorsement (7CM, 7MP) with shared limits.

Whenever endorsement 6CM or endorsement 7CM is added to an NCMIC claims-made policy the retroactive date on which the coverage is to effective will need to be printed on the **certificate** or policy declaration page.

The **certificateholder** named on endorsements 6CM or 6MP will have its own separate limit of liability. The **certificateholder** named on endorsements 7CM or 7MP will share the limit of liability with the health care professional.

Team Physician Coverage

This endorsement provides coverage for a health care professional while acting as a team physician. This is an optional endorsement. The charge for this endorsement will be 15% of the base premium, if the health care professional is a team physician for a professional team. There is no additional charge for this endorsement if the health care professional is a team physician for an amateur team.

Additional Insured Coverage

This endorsement provides coverage for an additional insured. This is an optional endorsement. The charge for this endorsement will be: 0% of base premium if the health care professional is affiliated with the additional insured for less than 50 hours per year; a charge of 5% of base premium if the health care professional is affiliated with the

additional insured for 50 or more hours per year and less than 150 hours per year; and 10% of base premium if the health care professional is affiliated with the additional insured for 150 or more hours per year.

Drug Testing Sample Collection Site Coverage

This endorsement provides coverage for the collection of urine or blood in connection with drug testing. This is an optional endorsement. There is no additional charge for this endorsement.

Seminar And Continuing Education Coverage

This endorsement provides coverage for the health care professional while either teaching at or attending a seminar. This is an optional endorsement. The charge for this endorsement will be: 0% of base premium if the health care professional is attending and/or teaching seminars for less than 25 hours per year; a charge of 5% of base premium if the health care professional is attending and/or teaching seminars for 25 or more hours per year and less than 50 hours per year; and 10% of base premium if the health care professional is attending and/or teaching seminars for 50 or more hours per year and less than 75 hours per year; and 15% of base premium if the health care professional is attending and/or teaching seminars for 75 or more hours per year.

Peer Review Coverage

This endorsement provides coverage for the health care professional while performing peer review. Peer review activities means the evaluation of the professional services rendered by another healthcare professional for the purpose of determining the qualifications and/or the competency of the health care professional including service on or executing the directives of a formal committee or panel. The limit of liability for all damages under this endorsement is \$25,000 Per Medical Incident Limit of Liability and \$50,000 Policy Aggregate Limit of Liability. Damages include all legal fees, investigative fees, court reporter fees, court costs, court reporter fees, court costs, and expert witness fees, judgments, or settlements. This is an optional endorsement. There is no additional charge for this endorsement.

Defense and Settlement Provision

This endorsement revises our defense and settlement provision of our policy and requires that we have the written consent of the insured before we settle any claim or suit as we believe may be proper.

Temporary Leave Coverage

This endorsement allows a health care professional to be on a leave of absence from practice for any period of 60 days up to one year. Even though no injuries would be covered that occurred during the leave of absence period, a claim could still be reported during that period. The health care professional would not show a lapse in coverage during the leave of absence time period. We would allow the leave of absence to be for any one of the following reasons:

- a. continuing education for the doctor
- b. maternity leave
- c. short term disability
- d. or other leave as approved by NCMIC.

Claims Made Charges

- (1)
 - A. Individual charge - A premium rate of 15% of the health care professional current premium calculated on a pro rata basis will apply.
 - B. Corporation with shared limits - A premium rate of 2% of the health care professional current premium calculated on a pro rata basis will apply for the corporation with shared limits unless the corporation is scheduled on the endorsement..
 - C. Corporation with separate limits – The regular premium charge of 20% of the health care professional base premium will be applicable unless the corporation is scheduled on the endorsement.
- (2) When the health care professional resumes practice he or she will be charged the current premium he or she would have been charged had he or she not taken the leave of absence.

Occurrence Charges

- (1)
 - A. Individual charge - A premium rate of 3% of the health care professional current premium calculated on a pro rata basis will apply.
 - B. Corporation with shared limits - A premium rate of 2% of the health care professional current premium calculated on a pro rata basis will apply for

- the corporation with shared limits unless the corporation is scheduled on the endorsement
- C. Corporation with separate limits – The regular premium charge of 20% of the health care professional base premium will be applicable unless the corporation is scheduled on the endorsement.

Anesthetic Agent Coverage

The charge for this endorsement will vary depending on the classification of the health care professional. Refer to rating plan.

Surgery Coverage

The charge for this endorsement will vary depending on the classification of the health care professional. Refer to rating plan.

Prior Acts Coverage

The company will examine requests for prior acts coverage on a case by case basis and may, at its option, make such coverage available in a specific situation. Insured must submit a statement verifying continuous coverage with a claims made carrier for the time they wish to purchase prior acts coverage with NCMIC. The insured may purchase prior acts coverage for a time period that is unlimited. The insured may also purchase prior acts coverage for corporations.

The insured must also submit a copy of the first and last declaration page from the claims made carrier. Prior acts is not available if the insured has not had claims made insurance previously.

The premium for prior acts is always paid in full upon acceptance by NCMIC. No refund will be available if the insured wants to cancel at a later date since the endorsement is an occurrence form. The charge for Prior Acts coverage is based on the prior acts factors for the applicable health care professionals classification and applied to the occurrence base premium. Refer to the rating plan for the specific health care professional to determine the charge. Prior Acts charges are to be pro-rated for partial years.

Prior Acts coverage for corporations is determined by using the same prior acts factors that are applicable to the health care professional classification. The prior acts factors are multiplied by the corporation base premium to calculate the charge.

A11 Prior Acts charges are to be pro-rated for partial years.

Specialty, Procedure, Technique Exclusion Coverage

- (1) Excludes those procedures, techniques, or specialties where a licensed health care provider has had their license revoked, suspended, or surrendered or privileges restricted as a result of the performance of these procedures, techniques, or specialties.
- (2) Excludes procedures, techniques, or specialties that are experimental.
- (3) Excludes procedures, techniques, or specialties where a health care provider is a high risk and has had poor loss experience.
- (4) Change in health care provider specialty – Excludes those procedures, techniques, or specialties of a higher classification where the health care provider has changed their health care provider classification to a lower classification.

Blank Endorsement

This endorsement may be utilized as a manuscript form to broaden, restrict, or clarify coverage issues. The endorsement may also be utilized to clarify adjustments in rating.

Optional Individual Extended Reporting Policy (Individual Insured)/Extended Reporting Endorsement (Corporation, Partnership, Organization or Group) Coverage

The Optional Individual Extended Reporting Policy may be purchased by an insured upon the termination of the claims made and reported policy or coverage.

- (1) The time period for reporting claims in writing after the termination date listed on the endorsement is extended indefinitely.
- (2) The Optional Individual Extended Reporting Policy will be available to all insureds shown on the declaration page of the corporate or group policy. Should an insured terminate association with an entity, coverage will also be offered for the liability of the entity provided that such entity was also insured by this Company.
- (3) Should the entity terminate coverage under the corporate or group policy, the entity may purchase the extended reporting endorsement by giving the Company written notice, within 60 days, of its intent to purchase, and paying the appropriate premium.
- (4) The limits of liability available under an Optional Individual Extended Reporting Policy or extended reporting endorsement must be equal to or less than those in effect on the date the insureds employment or association terminated or on the termination date of the policy. The limits of liability for the extended reporting period will be a reinstatement of limits for the reporting period.
- (5) The reporting endorsement factors for each applicable classification of health care professional shall be applied to the mature claims made and reported rate

computed in accordance with our rules and rates in effect at the inception of the last claims made and reported policy.

- (6) Upon termination of coverage under this policy by reason of death or total and permanent disability, the premium charge for the Optional Individual Extended Reporting Policy will be waived.
- (7) There will be no charge for the Optional Individual Extended Reporting Policy in the event the insured fully retires from practice on or after age 55, provided he or she has been continuously insured with us on a claims-made basis for the immediately preceding five years.
- (8) The charges for the Optional Individual Extended Reporting Policy or Extended Reporting Endorsement will be pro-rated for partial years.

Consent to Rate (Admitted Status)

At the company's option, a policy may be written under this program for otherwise eligible risks which exhibit exposures not contemplated in the rules, rates, and forms filed on behalf of the company. Special policy provisions or restrictions, rates and rating provisions may be applied in such instances, if the following conditions exist:

- (1) The policy would not otherwise be written.
- (2) The insured agrees in writing by returning a signed copy of any manuscript endorsement. All manuscript endorsements must be pre-approved by the company.
- (3) There are no statutory or regulatory prohibitions and the consent of the state insurance division is obtained when required.

NCMIC INSURANCE COMPANY
Dentists' Professional Liability
Classification Plan

Class D-1 Relativity¹: 0.270

General dentists or specialists in orthodontics, pediatric dentistry, periodontics, prosthodontics, endodontics and oral pathology not otherwise classified in Class D-2.²

General dentists or specialists performing conscious sedation, third molar extractions, full-mouth banding (unless an orthodontic specialist).²

Class D-2 Relativity¹: 0.350

Any dentist performing implants involving osseointegration.²

General dentists or specialists allowing unconscious sedation in the dental office, but only if the sedation is administered by a dental or medical anesthesiologist.

Class D-3 Relativity¹: 0.800

Specialists in dental anesthesiology

Class D-4 Relativity¹: 1.200

Specialists in oral and maxillofacial surgery not included in Class D-5. (Administration of a general anesthetic intended to cause unconsciousness must be administered in a hospital.)

Class D-5 Relativity¹: 1.650

Specialists in oral and maxillofacial surgery who administer, personally or by an employed/contracted anesthesiologist, any general anesthetic intended to cause unconsciousness if administered in a dental office.

¹ Relative to a family practice-no surgery physician

² No coverage is provided for any liability arising from the administration of a general anesthetic intended to cause unconsciousness unless administered in a hospital.

Exhibit 2

NCMIC INSURANCE COMPANY
Allied Physicians' Professional Liability
Classification Plan

Pediatrist - No Surgery Relativity¹: 1.200

Pediatrist - Surgery Relativity¹: 2.400

Optician Relativity¹: 0.050

Optometrist Relativity¹: 0.090

¹ Relative to a family practice-no surgery physician